

AR80



2005 ANNUAL REPORT

1.5 Billion Barrels of Oil In Place

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Annual General Meeting

The Annual and Special Meeting of unitholders of Crescent Point Energy Trust will be held on Wednesday, May 31, 2006 at 10:00 a.m. in the Strand/Tivoli meeting room of The Metropolitan Conference Centre of Calgary, 333 – 4th Avenue SW, Calgary, Alberta. Unitholders are encouraged to attend the meeting and those unable to do so are urged to complete, sign and return their form of proxy.

Organization Definition

Throughout the Annual Report, Crescent Point Energy Trust and its subsidiaries and related predecessor entities are referred to as "Crescent Point," or the "Trust".

Abbreviations

ARTC	Alberta Royalty Tax Credit	mmboe	Millions of barrels of oil equivalent
boe	Barrels of oil equivalent	mcf	Thousands of cubic feet
boe/d	Barrels of oil equivalent per day	mcf/d	Thousands of cubic feet per day
bbls	Barrels of oil or natural gas liquids	mmcf	Millions of cubic feet
bbls/d	Barrels of oil or natural gas liquids per day	mmcf/d	Millions of cubic feet per day
GJ	Gigajoules	NGL	Natural gas liquids
mmbbls	Thousands of barrels	P+P	Proved plus probable reserves
mmbbls	Millions of barrels	WTI	West Texas Intermediate
mboe	Thousands of barrels of oil equivalent		

Volume Reporting

Barrel of oil equivalent (boe) figures presented throughout this report are expressed at a conversion rate of six thousand cubic feet of natural gas to one barrel of crude oil. This conversion ratio approximates relative heating values, and is the generally accepted ratio used by Canadian oil and gas companies, oil and gas trusts and investment analysts.

Crescent Point Energy Trust is a conventional oil and natural gas income trust with assets strategically focused in properties comprised of high quality, long life, operated light oil and natural gas reserves in western Canada. Crescent Point strives to create sustainable, value-added growth in reserves, production and cash flow through the execution of management's integrated strategy of acquiring, exploiting and developing reserves in the Western Canada Sedimentary Basin.

Since its conversion to a trust in 2003, Crescent Point has grown through a series of acquisitions that have been accretive to production, reserves and cash flow on both a gross and per unit basis. Crescent Point's management team focuses unitholders' capital on higher quality, longer life reservoirs in proven growth areas that offer existing infrastructure, low cost drilling and multi-zone potential with year round access. The Trust's objective is to acquire operational control of properties offering significant exploitation and development potential. The management team focuses on a range of proven, low risk techniques

to increase reserves and production in a cost effective manner. These include drilling infill and step out wells, recompleting wells, implementing or re-engineering waterflood schemes and optimizing existing infrastructure.

Crescent Point has grown production from 7,000 boe/d at the time of the trust conversion to more than 19,000 boe/d in early 2006.

Crescent Point's trust units trade on the Toronto Stock Exchange under the symbol CPG.UN.

1,500,000,000

Crescent Point has a resource base with more than 1.5 billion barrels of original oil in place. Crescent Point has the potential to double its proved reserves over time through infill horizontal drilling, waterflood and enhanced recovery techniques.

Financial and Operating Highlights

Cash Distributions

Crescent Point increased monthly distributions by 18 percent from \$0.17 to \$0.20 per unit in 2005, providing a 70 percent fully diluted payout ratio.

Acquisitions

The Trust completed net capital acquisitions of \$301 million comprised of four corporate acquisitions and four property acquisitions. In addition, Crescent Point announced in December 2005 a new core area acquisition in southwest Saskatchewan which added 5,000 boe/d for \$257 million.

Balance Sheet

The Trust maintained a strong balance sheet with projected net debt to annual cash flow of less than 0.8 times.

Netbacks

Netbacks increased by 28 percent year over year before realized financial instruments due to higher commodity prices, offset slightly by increased operating and royalty expenses.

(\$000s, except trust units, per trust unit and per boe amounts)	2005	2004	% Change
FINANCIAL			
Cash flow from operations	109,785	69,828	57
Per unit ⁽¹⁾	3.04	2.49	22
Net income ⁽²⁾	38,509	29,743	29
Per unit ^{(1) (2)}	1.12	1.07	5
Cash distributions	74,591	53,877	38
Per unit ⁽¹⁾	2.14	2.04	5
Payout ratio (%)	68	77	(9)
Per unit (%) ⁽¹⁾	70	82	(12)
Net debt ⁽³⁾	194,545	95,360	104
Capital acquisitions (net) ⁽⁴⁾	301,235	166,171	81
Development capital expenditures	37,460	27,916	34
Weighted average trust units outstanding (mm)			
Basic ⁽²⁾	34.3	26.2	31
Diluted	36.1	28.1	28
OPERATING			
Average daily production			
Crude oil and NGL (bbls/d)	9,196	6,815	35
Natural gas (mcf/d)	17,810	16,733	6
Total (boe/d)	12,164	9,604	27
Average selling prices ⁽⁵⁾			
Crude oil and NGL (\$/bbl)	58.57	46.40	26
Natural gas (\$/mcf)	8.38	6.46	30
Total (\$/boe)	56.55	44.18	28
Netback (\$/boe)			
Oil and gas sales	56.55	44.18	28
Royalties	(11.27)	(8.16)	38
Operating expenses	(8.08)	(6.53)	24
Transportation	(1.04)	(1.13)	(8)
Netback prior to realized financial instruments	36.16	28.36	28
Realized loss on financial instruments	(7.42)	(5.36)	38
Netback	28.74	23.00	25

(1) The per unit amounts (with the exception of per unit distributions) are the per unit-diluted amounts.

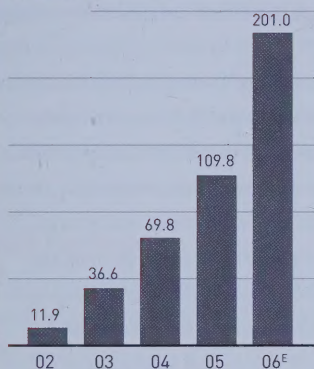
(2) Net income, net income per unit, and weighted average trust units outstanding have been restated for the change in accounting policy for exchangeable shares in the second quarter of 2005. See Note 3(a) of the consolidated financial statements for details of the restatement.

(3) Net debt includes working capital, but excludes the risk management liability.

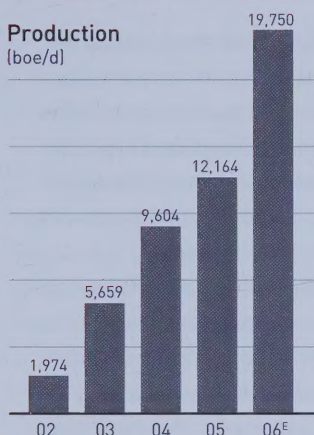
(4) The capital acquisitions include the purchase price of corporate acquisitions (before adjustments for working capital and debt assumed). These amounts differ from the amounts allocated to property, plant and equipment as there were allocations made to goodwill, other assets and liabilities.

(5) The average selling prices reported are before realized financial instruments.

Cash Flow (\$ millions)



Production (boe/d)



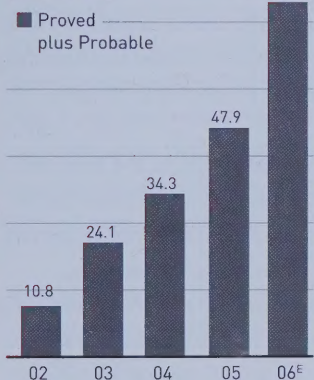
Cash Flow

Cash flow from operations increased by 57 percent, reflecting higher commodity prices and increased production volumes generated from a series of acquisitions and successful 2005 drilling results.

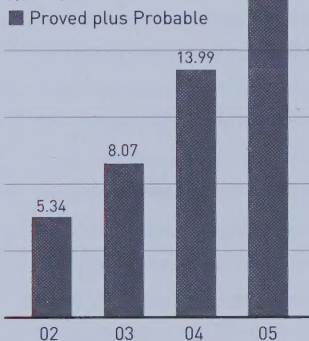
Production

The Trust increased average production by 27 percent to 12,164 boe/d and exited 2005 with production in excess of 15,000 boe/d. The Trust expects to average 19,750 boe/d in 2006.

Reserves (million boe)



Finding Development & Acquisition Costs (\$/boe)



Reserves

Crescent Point added 13.6 million boe of proved plus probable reserves in 2005, exiting the year with 47.9 million boe proved plus probable reserves. Including first quarter 2006 acquisitions the Trust's proved plus probable reserves increased to 81.4 million boe.

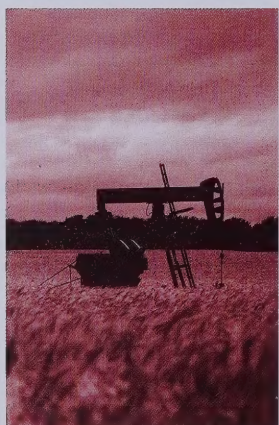
Finding Development & Acquisition Costs

The 2005 reserves were added at a finding, development and acquisition cost of \$18.52 per proved plus probable boe. Crescent Point's five year finding, development and acquisition costs have averaged \$12.20 per proved plus probable boe.

^E Estimated figures.

President's Letter to Unitholders

Crescent Point's strategy is to use its large, low risk drilling inventory to maintain production, cash flow and distributions.



In 2005, Crescent Point continued its proven business plan to create value-added growth in reserves, production and cash flow through the execution of management's integrated strategy of acquiring, exploiting and developing high quality, long life, light oil and natural gas properties. The Trust delivered strong growth in reserves, production and cash flow on an overall and per unit basis. The Trust closed eight acquisitions in 2005 and two in early January 2006 for a total of ten high quality property and corporate acquisitions which grew daily production by more than 87 percent to over 19,000 boe/d and increased the Trust's low risk development inventory to more than 270 drilling locations.

The successful results in the year demonstrate that Crescent Point is delivering on its commitment to build a Trust that provides sustainable distributions with upside potential. A testament of the Trust's sustainable business model was reflected in an 18 percent increase in the monthly distributions from \$0.17 to \$0.20 per unit.

The Crescent Point Strategy

Crescent Point's strategy is to use its large, low risk drilling inventory to maintain production, cash flow and distributions, while the Trust constantly searches for opportunities to grow through accretive acquisitions. These two strategic pillars are related and are supported by a third element, which is building and maintaining a strong

balance sheet that creates the financial strength needed to execute the strategy.

Crescent Point's asset building approach is to focus on mature, large resource in place pools that have a low average recovery factor to date. Maturity reduces operating risks, while large scale means that a small percentage increase in the recovery factor equates to major increases in reserves and net asset value. This approach is based on a long-standing petroleum industry phenomenon: large resource in place pools tend to outperform their initial estimates over time. Numerous historical pools that were predicted to yield no more than 20-25 percent of their original resource in place are still producing, having yielded 40-45 percent with further recoveries to continue.

Over the past five years, the Trust has completed over 45 acquisitions. Each of Crescent Point's acquired properties is characterized by high working interests – over 80 percent of production is operated and each property has significant development opportunities.

Through successful development of the Trust's pools, new production and reserves have been added, generating additional cash flow and increasing overall net asset value on the Trust's properties. Combined with cumulative cash flow, the Trust has generated double to triple digit rates of return on its

acquisitions. Succeeding at this model requires the ability to identify high quality pools and quantify the upside potential through detailed engineering, geological and financial analysis. Crescent Point has the management and technical team to execute this business plan.

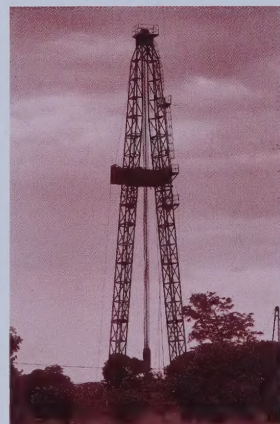
2005 Highlights

The Trust had a very successful year which included completion of its low risk development program, several consolidation acquisitions and the creation of a new core area.

The year's highlights included:

- Completed eight acquisitions in 2005 and two in early January 2006, of which nine were consolidation acquisitions within the Trust's main core areas, adding approximately 11,250 boe/d of production and 47.7 million boe of proved plus probable reserves;
- Executed a record development capital program, spending \$35.7 million, which included drilling of 37.7 net wells with a success rate of 93 percent. In addition, the Trust completed comprehensive engineering and optimization work at several key properties, further expanding the Trust's development drilling inventory;
- Five successive upward revisions to average daily production forecasts, with average production increasing from 9,604 boe/d in 2004 to 12,164 boe/d in 2005, a year over year increase of 27 percent;
- Increased year end 2005 reserves to 47.9 million boe proved plus probable from 34.3 million boe proved plus probable at year end 2004, based on the independent third party evaluation by GLJ Petroleum Consultants Ltd. The year over year reserves growth of 40 percent replaced 300 percent of the year's production;
- Average finding, development and acquisition costs, excluding future development costs were \$18.52 per boe proved plus probable, bringing the Trust's rolling five year average to \$12.20 per boe proved plus probable.
- Increased cash flow to \$109.8 million (\$3.04 per unit-diluted) from \$69.8 million (\$2.49 per unit-diluted) in 2004, a year over year increase of 57 percent;
- Increased monthly distributions in 2005 by 18 percent from \$0.17 to \$0.20 per unit. This resulted in an annual distribution of \$2.14 per unit, providing an overall payout ratio of 68 percent (70 percent on a per unit-diluted basis).

The Trust completed eight acquisitions in 2005 and two in early January 2006, of which nine were consolidation acquisitions within the Trust's main core areas, adding approximately 11,250 boe/d of production and 47.7 million boe of proved plus probable reserves.



The Trust has identified 270 low risk infill development drilling locations with more than 13,500 boe/d of risked production volumes, providing at least four years of drilling inventory.



- Completed one bought deal equity financing in 2005 and one in January 2006 totalling 14.3 million trust units generating gross proceeds of \$295.2 million. In addition, three private issuances of 6.7 million trust units were completed in 2005 valued at \$138.4 million;
- Maintained an excellent balance sheet throughout the year, with the Trust's credit facility increasing to \$320 million in conjunction with the closing of the Cantuar/Battrum acquisition in January 2006. Including first quarter acquisitions and the \$75 million financing announced in March 2006, the Trust has in excess of \$150 million of unutilized credit capacity with projected net debt to 12-month cash flow of less than 0.8 times.

Subsequent Event – Major Acquisition at Cantuar/Battrum

Towards the end of 2005 Crescent Point completed its largest acquisition to date. Crescent Point acquired properties at Cantuar and Battrum in southwest Saskatchewan that produce approximately 5,000 boe/d of high quality, medium gravity crude oil. This \$257 million acquisition created a new core operating area for the Trust in southwest Saskatchewan, and added 29.6 million boe of proved plus probable reserves. As the acquisition closed on January 9, 2006 these reserves were not reflected in the 2005 reserve evaluation.

The acquisition is accretive to Crescent Point on a reserve, production and cash flow per unit basis. The Cantuar/Battrum assets substantially expand the Trust's resource base to more than 1.5 billion barrels of original oil in place.

Acquisition metrics were solid at \$51,400 per daily flowing boe of production and, with updated engineering, \$8.68 per boe of proved plus probable reserves. Operating costs are under \$7 per boe of production. The accretion on a reserves per unit basis is significant as highlighted by the Trust's proved plus probable reserve life index increasing by over 22 percent to 11.1 years. The largely Trust operated production is drawn from pools with large oil in place of 760 million barrels. The Trust has identified significant development potential, with more than 78 net development locations added to inventory, providing the opportunity to double reserves over time.

2006 Plans, Outlook and Guidance

Crescent Point has the three key attributes of a successful energy trust: a proven management group and Board of Directors, an excellent balance sheet and a high quality reserve base with extensive opportunities to add production and reserves. The Trust's high quality reserve base and predictable low decline production underpin stable cash flow and sustainable distributions.

Crescent Point has more than 270 low risk infill development drilling locations with more than 13,500 boe/d of risked production volumes providing approximately four years of drilling inventory.

For 2006, the Trust has budgeted development capital of \$75 million, which will fund the drilling of 80 net wells. The 2006 program will be funded by internal cash flow and will maintain the Trust's production, cash flow and reserves for the year.

The Trust's 2006 production forecast is to average 19,750 boe/d. Using our current 2006 pricing assumptions of US\$60 per barrel of WTI crude oil and a realized natural gas sales price of \$7 per gigajoule, we forecast cash flow of \$201 million (\$3.35 per unit-diluted) in 2006. Based on these commodity price levels, the monthly distribution rate will be maintained at the current level of \$0.20 per unit.

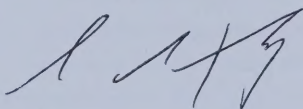
Crescent Point continues to lock in commodity price hedges at attractive crude oil pricing parameters, with contracts extending out 36 months to protect future distributions. The Trust has an excellent balance sheet, with projected net debt of less than 0.8 times current annualized cash flow and approximately \$150 million of unutilized credit lines.

Crescent Point's financial strength and focused asset base position the Trust for further acquisition growth in 2006. Crescent Point's size advantage enables it to compete effectively for small and larger acquisitions alike. The Trust was able to exceed its targets for acquisition driven growth in 2005.

Crescent Point's management believes that with the high quality reserve base and development inventory, excellent balance sheet and hedging program, the Trust is well positioned to continue generating strong operating and financial results and delivering sustainable distributions through 2006 and beyond.

At this time, I extend sincere thanks to Crescent Point's management team and employees for their dedicated efforts in delivering outstanding results throughout the past year, to all the members of the Board of Directors for their guidance, and to the Trust's unitholders for their support of the Crescent Point business model.

On behalf of the Board of Directors,



Scott Saxberg
President and Chief Executive Officer
March 15, 2006

The Trust's high quality reserve base and predictable low decline production underpin stable cash flow and sustainable distributions.



Operations Review

Sustainable Distributions

Large resource base

of more than 1.5 billion barrels of oil in place, with the potential to double reserves over time.

Low cost producer

that adds reserves and production with high netbacks, generating near term cash flow and extending the life of the Trust.

Predictable production

and reserve base. Low decline rate pools with significant production history.

Large low risk drilling inventory

provides the ability to maintain production and cash flows.

Strong hedge positions

increase certainty of cash flows and distributions.

Crescent Point has a sustainable trust model and is focused on providing stable, long term distributions. Many factors contribute to sustainability. It starts with the asset base. The basis of sustainability is high quality assets with low average production declines and reservoirs that are relatively straightforward to manage.

Crescent Point is an actively managed trust that executes its integrated strategy of acquiring, exploiting, and developing high quality, long life, light oil and natural gas properties. The Trust's significant development drilling inventory of 270 locations allows the Trust to maintain production for approximately four years. To complement and expand existing development inventory the Trust deploys capital to acquire new production and reserves that enhance overall unitholder value on a production, reserves, and cash flow basis.

Focusing development and exploitation on pools with large resources in place with known oil accumulations allows the Trust to add reserves and production at low risk. Large reservoirs tend to have lower production declines which reduce the draw on the drilling inventory to maintain production levels.

It is also important to maintain low operating costs. Low costs maximize the operating margin, or netback, contributing to strong cash flow. This goes back to the high quality nature of Crescent Point's assets.

Holding back a portion of cash flow provides capital for internal development and allows Crescent Point to sustain stable distributions even as production, commodity prices and overall cash flow may fluctuate. Maintaining financial strength enables the Trust to use its balance sheet during potential down times and to take advantage of opportunities for new accretive acquisitions. Since the Trust's inception Crescent Point has made more than 45 accretive acquisitions.

Crescent Point's hedging program allows the Trust to withstand fluctuations in commodity prices, and provide stability in its distributions. Crescent Point could maintain distributions at the present rate of \$0.20 per unit monthly through the end of 2007 even if the WTI crude oil price dropped to US\$35 per barrel. For more on hedging, please see the Risk Management section of this report.

Focus Areas



Northwest Alberta

Northeast BC and West Peace River Arch, Alberta

Smallest core area, mix of crude oil and natural gas production.

Main properties: Worsley and Doe.

Production: 900 boe/d, 50 percent natural gas.

Reserves: 3.5 mmboe P+P.

Opportunities: low risk infill drilling, fracture stimulation of producing wells and field optimization on large gas reservoirs.

South/Central Alberta

Mix of crude oil and natural gas production.

Main properties: Little Bow, Sounding Lake and John Lake.

Production: 3,785 boe/d, 50 percent natural gas.

Reserves: 8.9 mmboe P+P.

Opportunities: waterflood optimization, natural gas optimization, natural gas drilling.

Southwest Saskatchewan

Created through a major acquisition in January 2006. Contains half of Trust's resource base with over 760 million barrels of original oil in place.

Main properties: Cantuar and Battrum.

Production: 5,000 boe/d.

Reserves: 29.6 mmboe P+P.

Opportunities: potential to double reserves through waterflood optimization and infill drilling.

Southeast Saskatchewan

Primary core area with numerous producing properties accumulated through a series of accretive acquisitions.

Main properties: Manor and Tatagwa.

Production: 10,315 boe/d.

Reserves: 39.4 boe P+P.

Opportunities: add production and reserves through waterflood enhancement and infill drilling at 75-metre downspace intervals.

**Increased 2005
average daily
production by 27
percent to
12,164 boe/d.**

**Increased proved plus
probable reserves
by 40 percent to 47.9
million boe at
year end 2005.**



Operations Overview

In 2005, Crescent Point created sustainable, value-added growth in production, reserves and cash flow through the execution of management's integrated strategy of acquiring, exploiting, developing and optimizing its high quality, long life light oil and natural gas properties.

The Trust achieved a fourth consecutive record year of development and capital spending, and by year end had closed or executed agreements to double its production and increase its ownership in oil in place reservoirs to more than 1.5 billion barrels. The Trust also achieved its fourth consecutive year of positive technical reserve revisions.

Crescent Point's average daily production increased by 27 percent from 9,604 boe/d in 2004 to 12,164 boe/d in 2005. The Trust increased its reserve base from 25.7 million boe proved and 34.3 million boe proved plus probable reserves at the end of 2004, to 32.9 million boe proved and 47.9 million boe proved plus probable reserves at the end of 2005, as independently evaluated by GLJ Petroleum Consultants Ltd. ("GLJ").

The Trust's finding, development and acquisition costs for 2005, excluding future development costs, were \$18.52 per proved plus probable boe and \$28.75 per proved boe of reserves. The Trust's rolling five year average for finding, development and acquisition costs (excluding future development costs) for proved plus probable reserves was \$12.20 per boe. The Trust's finding, development and acquisition costs for 2005, including future development costs, were \$19.22 per proved plus probable boe and \$28.78 per proved boe.

During 2005, the Trust closed eight major acquisitions for a total purchase price of \$301 million, net of closing adjustments. The acquisitions added 5,780 boe/d of production, 10.4 million boe proved and 16.4 million boe proved plus probable reserves.

The Trust drilled 50 (37.7 net) wells in 2005 with a success rate of 93 percent. Of the total wells drilled, 39 (30.9 net) were drilled in southeast Saskatchewan, while 9 (5.1 net) wells were drilled in south central Alberta and 2 (1.7 net) wells were drilled in northeast British Columbia and West Peace River Arch, Alberta.

Consistent with the business strategy of optimizing the Trust's high quality, long life light oil and natural gas reserves, several value-added initiatives were carried out in 2005. Crescent Point completed extensive detailed geological and reservoir engineering of its legacy Sounding Lake and Manor properties. The Trust continued to increase pool recovery factors through its improved reservoir recovery development strategy. At the same time, Crescent Point continued to optimize waterflood operations at its Little Bow and Tatagwa properties.

Optimization and Recovery Improvement Activities

Crescent Point utilizes a number of techniques to continuously optimize production and increase recoveries from its large reservoir base. Integrating seismic and geological modeling with reservoir engineering analysis, the Trust has identified numerous waterflood optimization and expansion opportunities as well as several vertical and horizontal drilling locations to add to its already extensive drilling inventory. Through reservoir management and production optimization, the Trust strives to flatten out production decline rates, thereby reducing the draw on the Trust's drilling inventory and ultimately contributing to the long term sustainability and stability of the Trust's cash flow. In aggregate, during the past four years, independent engineers have recognized total positive technical revisions of more than 10.5 million boe on Trust interest lands.

Operationally, the Trust is working on several initiatives to integrate acquired properties including both facility consolidation and expansion where appropriate; compression and pipeline optimization along with rerouting and power surveys that are expected to reduce or optimize power consumption in a rising commodity price environment.

Further details of Crescent Point's optimization and recovery strategies and activities can be found on page 13 of this annual report.

Crescent Point increased its resource base to more than 1.5 billion barrels of original oil in place.

Crescent Point plans to spend up to \$75 million and drill 80 net development wells in 2006.



Investing In Large Oil in Place Assets

Potential To Double Proved Reserves Over Time

Property	Horizon	Original Oil in Place (mmbbls)	Recovery to Date	Independent Engineering Recovery Factor (P+P)	Analog Pool Recovery Factor	Net Incremental to P+P Reserves (mmbbls)
Cantuar	Cantuar	409	15.2%	22.6%	35.0%	28.0
Battrum	Roseray	352	24.8%	32.5%	40.0%	11.9
Tatagwa	Midale	225	4.4%	10.3%	13.6%	7.2
Manor	Watrous	147	10.8%	18.2%	25.4%	10.7
Little Bow	Mannville	20	29.9%	38.3%	50.0%	2.3
Sounding Lake	Cummings	40	35.8%	44.3%	47.6%	1.4
Glen Ewen	Frobisher	46	5.1%	11.0%	15.0%	1.8
Other	Various	311	23.9%	29.5%	35.4%	11.5
Total		1,550	17.6%	24.4%	32.1%	74.8

Crescent Point's main strategy is to focus on large oil or gas in place pools that have upside potential. The larger the pool, the greater the potential upside. The math is simple – 1 percent change on 100 million barrel pool is one million barrels which is a significant increase in reserves and value to the Trust. Independent analysis has consistently shown that large resource in place reservoirs tend to outperform their initial estimates over time. Large pools with significant history tend to have predictable, stable production, providing for a low risk reserve base. In addition, large oil in place properties with central facilities are easier to operate. Distances are shorter and the properties can be managed efficiently with a smaller team of operations staff.

Five of every six barrels of reserves added in the Western Canada Sedimentary Basin over the last five years have been the result of improved recovery in existing crude oil pools. Crescent Point has more than 1.5 billion barrels of original oil in place, as shown in the table above. The Trust has recovered over 17 percent to date and the independent engineers have assigned a recovery factor of 24 percent to the proved plus probable category. Based on offset analog or similar pools, the Trust sees potential for recovery factors greater than 32 percent. The 8 percent difference between the independent engineers' assignment and the analog pools equates to 75 million net incremental barrels over and above the proved plus probable reserves assigned by the independent engineers.

This essentially translates into a doubling of Crescent Point's current proved reserve base. Crescent Point believes that these reserve additions will occur over the next three to five years through development drilling, waterflood and production optimization.

Reserve Upside Opportunities

Horizontal Infill Drilling	Waterflood Optimization	CO ₂ Injection	Facilities Optimization and Consolidation
Increasing the density or downspacing is a proven low risk technique which will ultimately increase reserves and add production.	Many oil pools are suitable candidates for pressure maintenance and increased recovery through the injection of water – or waterflood – a well established secondary recovery technique. Detailed monitoring and engineering can improve existing waterfloods.	Injecting carbon dioxide can radically improve productivity and recovery factors of mature oil reservoirs.	The development of oil and natural gas reserves is determined by economics. Cost-cutting measures can add significant reserves by making additional volumes profitable to produce. Some techniques include higher utilization of compressor and battery facilities, better management of power consumption and downhole pump optimization.
Manor, SE Sask.	Sounding Lake, AB.	Tatagwa Unit, SE Sask.	John Lake, AB.
<p>This 100 percent working interest property holds 147 million barrels of original oil in place, of which only 10.8 percent has been recovered to date. Property has full 3-D seismic coverage and operated production facilities.</p> <p>The Trust intends to drill 50 horizontal infill wells on 75-metre horizontal spacing over the next four years.</p>	<p>At the 18 million barrel in place Cummings "A" pool, Crescent Point is continually fine tuning the placement and rate of water injection in response to careful monitoring of oil and water production.</p> <p>New 3-D seismic has generated opportunities to drill and recomplete 14 wells in 2006.</p>	<p>Crescent Point is studying CO₂ injection for this unitized field, which holds 225 million barrels of original oil in place. Tatagwa is an extension of the gigantic Weyburn field, where Canada's only large-scale commercial CO₂ miscible flood has added major reserves and production.</p>	<p>Crescent Point is applying comprehensive production engineering to this 12 mmcf/d natural gas property. Optimizing compressor pressures enables lower pressure wells to continue producing. Pigging pipelines to remove sand and water, and debottlenecking gathering systems improves flow rates.</p> <p>14 low risk development drilling locations.</p>
Reserve Upside			
10.7 million barrels of incremental reserve additions.	1.4 million barrels of incremental reserve additions.	7.2 million barrels of incremental reserve additions.	6 billion cubic feet of incremental reserve additions.

Development Drilling

2005 Drilling Results

Crescent Point drilled a total of 50 (37.7 net) wells in 2005, achieving an overall success rate of 93 percent. The following table summarizes the Trust's drilling results for the year ended December 31, 2005:

Year ended December 31, 2005	Gas	Oil	D&A	Service	Standing	Total	Net	Success %
Southeast Saskatchewan	–	34	–	4	1	39	30.9	97
South/Central Alberta	5	2	–	1	1	9	5.1	88
Northeast BC and West Peace River Arch, Alberta	1	–	–	–	1	2	1.7	43
Total	6	36	–	5	3	50	37.7	93

Southeast Saskatchewan

In 2005, the Trust drilled a total of 34 (27.1 net) oil wells and 4 (3.1 net) service wells in southeast Saskatchewan achieving a 97 percent success rate and adding over 2,500 boe/d of initial production. In the first quarter, a major lateral pipeline from Auburnton to Queensdale was constructed which connected the two new pools discovered at Auburnton. In the fourth quarter, the Trust added 1,300 boe/d to its core Manor property with the acquisition of Bulldog Energy Inc. A field wide lift optimization program at Manor added over 100 boe/d of initial production. A detailed geological and reservoir engineering review of the Manor field was conducted for 75-metre interwell down spaced drilling. Two initial test drills are planned for 2006. In addition, detailed geological modeling on acquired Bulldog Energy Inc. lands is underway for the 2006 drilling year.

South/Central Alberta

The Trust drilled 5 (3.4 net) gas wells, 2 (0.2 net) oil wells, 1 (1.0 net) service well and recompleted 14 (12.0 net) zones in 2005 in South/Central Alberta achieving an 88 percent success rate and adding over 375 boe/d of initial production. A field wide power audit of the Sounding Lake, Killam and Little Bow fields identified several efficiency optimization opportunities to reduce operating costs. Construction of an oil blending facility at Sounding Lake to increase process income is expected to commence in early 2006. A detailed geological and reservoir engineering study was conducted in the Sounding Lake area. Up to 6 (5.9 net) drills, 8 (7.8 net) recompletions and 9 (8.6 net) water injection conversions and reactivations targeting the Dina, Cummings, Sparky and GP Rex formations are planned for 2006.

Northeast British Columbia and West Peace River Arch, Alberta

The Trust drilled 1 (0.7 net) well targeting gas at Doe, achieving a 43 percent success rate and recompleted 1 gas well at Fourth Creek adding combined initial production of 825 mcf/d in 2005. Ongoing field compression and power optimization was conducted in 2005. Well test analysis indicates up to 4 Doe gas wells are suitable for stimulation to improve productivity, with the first to be fracture stimulated in the first quarter of 2006. Pending results of the first well, the Trust will review the stimulation suitability of the remaining three wells and for future drills.

Overall, 2005 was a record year of capital activity for Crescent Point. In aggregate the Trust drilled 50 (37.7 net) wells including 36 (27.3 net) oil wells, 6 (4.1 net) gas wells and 5 (4.1 net) service wells, achieving a 93 percent success rate and adding throughout the year over 3,000 boe/d of initial production. Extensive geological and reservoir engineering studies on properties acquired in 2005 and on existing legacy properties including Manor, Tatagwa and Sounding Lake are underway for the 2006 drilling year. The Trust plans to drill up to 102 (80.0 net) wells on interest lands in 2006.

Capital Efficiency Results

Five Years of Strong Development Drilling

Crescent Point has shown five consecutive years of successful development and exploitation within its properties, as highlighted in the following table. The table summarizes the Trust's drilling record on an individual well basis using currently booked ultimate reserves and actual historical production. The Trust has drilled 108 wells over its five year history with an average success rate of over 90 percent. The average working interest first year production rate is 61 boe/d with working interest reserves of eighty thousand boe proved plus probable per well. The Trust has averaged \$15,900 per producing boe to replace production and \$9.88/boe to replace reserves on a proved plus probable basis. Crescent Point's drilling and exploitation activities have resulted in a five year average recycle ratio greater than 3.1 times.

Crescent Point has a strong development and exploitation track record with average production replacement costs of \$15,900 per producing boe.

Wells drilled (net)	108
Average 1 st year* production rate (boe/d)	61
P+P Reserves (thousand boe)*	80
Average replacement cost of production (\$/boe/d)	15,900
Reserve replacement (\$/boe, P+P)	9.88

3.1x
 recycle ratio

5 year average netback of \$30.74/boe ÷ 5 year average P+P F&D costs of \$9.88/boe

* Working interest production and reserves. Reserves independently evaluated by GLJ Petroleum Consultants Ltd. at December 31, 2005.

Future Development Inventory

Four Years of Drilling Inventory

Crescent Point has expanded its development drilling inventory through several acquisitions and extensive technical analysis. Crescent Point has at least four years of low risk development drilling locations in inventory. All of these development drilling locations are defined by 3-D seismic, geology and engineering. The Trust has more than 270 low risk development locations in inventory with 13,500 boe/d of risked production additions associated with those locations. The Trust continually develops its properties through technical analysis of information including reservoir characteristics, original oil or gas in place, recovery factors and the applicability of enhanced recovery techniques. The following table outlines the Trust's future development opportunities.

Property	Total Capital (\$mm) (includes facilities, land and seismic)	Risked F&D (\$/boe)	4 years of development opportunities	
Cantuar/Battrum	\$48.4	\$16.56	1,775	78.0
Manor	\$63.7	\$13.96	4,612	73.7
Tatagwa	\$22.2	\$9.60	1,878	22.8
SE Sask Minors	\$18.1	\$13.72	981	22.2
Alberta Minors	\$7.8	\$7.50	708	16.3
Worsley	\$10.4	\$7.34	1,448	15.9
Glen Ewen	\$17.1	\$12.39	1,344	15.0
John Lake	\$2.7	\$7.30	405	13.6
Sounding Lake	\$3.9	\$8.26	251	11.2
Little Bow	\$2.8	\$7.67	365	5.0
Total	\$197.1	\$12.20	13,767	273.7
			Risked Production Rate (boe/d)	Net Wells in Inventory

Crescent Point has a significant low risk development inventory with more than 270 locations and over 13,500 boe/d of risked production additions.

Acquisitions Strategy

Crescent Point's Core Area Acquisitions

Crescent Point's acquisition strategy is a key component of its business plan. The Trust focuses on large gas or oil in place properties that are operated, high working interest, high netbacks, with development drilling upside, and have the potential to increase reserves over time. The Trust's disciplined approach to acquisitions has provided unitholders with accretive per unit growth in reserves, production and cash flow.

To highlight the impact of the Trust's acquisitions, the following table outlines the Trust's first major acquisitions to establish its core areas and the return on investment to date. As shown in the table, the Trust invested \$178 million to acquire and develop the Sounding Lake, Manor, Tatagwa, John Lake and Little Bow areas. These investments have returned 194 percent to date, which includes cumulative cash flow to date and the current net present value of these properties at year end 2005.

194%
total rate of return

Property	Date Acquired	Purchase Price (\$mm)	Capital Spent to Date (\$mm)	<div> <div>\$524.3</div> <div>million generated to date</div> </div>	
Sounding Lake	Nov/01	\$32.9	\$5.8	\$42.8	\$61.1
Manor	Jan/02	\$24.6	\$38.3	\$118.0	\$138.7
Tatagwa	Sept/03	\$34.2	\$5.1	\$24.4	\$53.3
John Lake	Apr/02	\$10.0	\$3.4	\$20.4	\$15.0
Little Bow	Oct/02	\$21.5	\$2.3	\$24.1	\$26.5
Total		\$123.2	\$54.9	\$229.7	\$294.6
<div> <div>\$178.1</div> <div>million invested to date</div> </div>				Cash Flow to Date (\$mm)	Current P+P NPV at 10% (\$mm)

2005 Acquisitions Summary

Crescent Point continues to add value through careful technical and economic assessment of acquisition opportunities. 2005 demonstrated the Trust's ability to consolidate in its core areas and expand into new areas.

Total Purchase Price (\$mm)	581.5
Total Production (boe/d)	11,250
Total Reserves P+P (mmboe)	47.7
Cost per Flowing Barrel (\$/boe/d)	51,700
Acquisition Cost (\$/boe, P+P)	12.19

10 Acquisitions

Nine consolidation and one new core area added.

Crescent Point completed eight acquisitions in 2005 and two in early January 2006, of which nine were consolidations within the Trust's core area. These acquisitions added 11,250 boe/d of production and 47.7 million boe on a proved plus probable basis. In addition, the Trust's reserve life index increased from 9.1 years to 11.1 years on a proved plus probable basis.

2006 Acquisition and Development Outlook

On March 2, 2006, Crescent Point announced the acquisition of one private Alberta company and the completion of two southeast Saskatchewan consolidation acquisitions for a combined total of \$71 million. Crescent Point acquired 950 boe/d of production and 3.1 million boe of proved and 3.8 million boe of proved plus probable reserves. The acquisitions were funded through the issuance of 2.08 million trust units and the Trust's existing bank line.

The southeast Saskatchewan acquisitions further consolidate its Ingoldsby area. The private Alberta company acquisition created a new core area in the Peace River Arch area of northwest Alberta.

Key attributes of combined assets acquired:

- Current production of approximately 950 boe/d, comprised of 80 percent high netback, light oil and 20 percent natural gas;
- Potential to increase production to over 1,170 boe/d with removal of regulatory and gas production restrictions;
- 63 (25.7 net) development locations;
- Multi-zone potential with 14 recompletion opportunities;
- Potential to more than double proved reserves over time; and
- The addition of a large original oil in place pool of 27 million barrels.

On March 2, 2006, the Trust and a syndicate of underwriters announced a bought deal equity financing of 3.44 million trust units for gross proceeds of \$75 million (\$21.80 per trust unit).

Reserves

All reserves information has been prepared in accordance with National Instrument ("NI") 51-101. This report contains several cautionary statements that are specifically required by NI 51-101. In addition to the detailed information disclosed in this annual report, more detailed information will be included in the Trust's Annual Information Form ("AIF").

Crescent Point entered 2005 with total reserves of 25.7 million boe proved and 34.3 million boe proved plus probable as independently evaluated by GLJ Petroleum Consultants Ltd. Crescent Point added 7.2 million boe proved and 13.6 million boe proved plus probable reserves in 2005. This includes acquisitions, development drilling and technical revisions of 11.6 million boe proved and 18.1 million boe proved plus probable, and is net of production of 4.4 million boe. The Trust exited 2005 with 32.9 million boe proved and 47.9 million boe proved plus probable reserves.

During 2005, oil and gas capital expenditures net of dispositions (including the purchase price of corporate acquisitions) were \$334.7 million. Based on reserve additions of 18.1 million boe proved plus probable and 11.6 million boe proved, the Trust had finding, development and acquisition costs, excluding future development costs, of \$18.52 per proved plus probable boe, and \$28.75 per proved boe. The Trust's rolling five year average for finding, development and acquisition costs (excluding future development costs) for proved plus probable reserves was \$12.20 per boe.

Including year end 2005 reserves combined with 2006 acquisitions to date, the Trust's proved plus probable reserves are 81.4 million boe based on independent engineering estimates. Utilizing current production of 20,000 boe/d for 2006, Crescent Point's proved plus probable reserve life index increases from 9.1 years to 11.1 years.

Including the southwest Saskatchewan and Rosebank acquisitions that were announced at the end of 2005 and closed in January 2006, Crescent Point achieved all in 2005 finding, development and acquisition costs of \$12.49 per proved plus probable boe. This includes the effect of the updated independent engineering for the Battrum and Cantuar properties.

Delivered fourth consecutive year of positive technical & development revisions adding 1.8 million boe of proved plus probable reserves.

The Trust increased proved plus probable reserves by 40 percent to 47.9 million at year end 2005.

The Trust has a reserve life index of 11.1 years on a proved plus probable basis, including first quarter 2006 acquisitions.

Summary of Reserves (Escalated Pricing)

At year end December 31, 2005⁽¹⁾

	Reserves ⁽²⁾								Before Tax Net Present Value (\$000)			
	Oil (mstb)		Gas (mmscf)		NGL (mbbls)		Total (mboe)		Discount Rate			
Description	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Undiscounted	10%	12%	15%
Proved producing	22,528	19,261	22,597	18,003	175	143	26,469	22,403	633,940	436,663	414,834	387,105
Proved non producing	5,610	4,872	4,764	3,767	66	52	6,471	5,553	127,615	74,989	68,378	59,927
Total proved	28,138	24,133	27,361	21,770	241	195	32,940	27,956	761,555	511,652	483,212	447,032
Probable	12,918	11,154	11,890	9,503	104	84	15,003	12,822	374,769	164,264	146,828	126,275
Total proved plus probable ⁽³⁾	41,056	35,287	39,251	31,273	345	279	47,943	40,778	1,136,324	675,916	630,040	573,307

⁽¹⁾ Based on GLJ's January 1, 2006 escalated price forecast.

⁽²⁾ "Gross Reserves" are the total Trust's interest share before the deduction of any royalties. "Net Reserves" are the total Trust's interest share after deducting royalties.

⁽³⁾ Numbers may not add due to rounding.

Summary of Reserves (Constant Pricing)

At year end December 31, 2005⁽¹⁾

	Reserves								Before Tax Net Present Value (\$000)			
	Oil (mstb)		Gas (mmscf)		NGL (mbbls)		Total (mboe)		Discount Rate			
Description	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Undiscounted	10%	12%	15%
Proved producing	21,999	18,743	23,104	18,445	174	141	26,023	21,959	675,072	472,123	447,030	414,820
Proved non producing	5,582	4,842	4,799	3,801	65	52	6,448	5,527	157,089	93,048	84,921	74,512
Total proved	27,581	23,585	27,903	22,246	239	193	32,471	27,486	832,161	565,171	531,951	489,332
Probable	12,463	10,725	11,817	9,437	99	79	14,531	12,377	384,013	190,164	170,847	147,497
Total proved plus probable ⁽²⁾	40,044	34,310	39,720	31,683	338	272	47,002	39,863	1,216,174	755,335	702,798	636,829

⁽¹⁾ "Gross Reserves" are the total Trust's interest share before the deduction of any royalties. "Net Reserves" are the total Trust's interest share after deducting royalties.

⁽²⁾ Numbers may not add due to rounding.

Reserve Reconciliation (Escalated Pricing)

Gross Reserves⁽¹⁾

For the year end December 31, 2005

	Crude Oil And NGL (mbbls)			Natural Gas (mmscf)			Boe (mboe)		
	Proved	Probable	Total	Proved	Probable	Total	Proved	Probable	Total
Opening balance January 1, 2005	21,925	6,963	28,888	22,866	9,646	32,512	25,737	8,570	34,307
Acquired	8,423	5,057	13,480	12,093	5,410	17,503	10,441	5,956	16,397
Disposed	-	-	-	(485)	(200)	(685)	(81)	(33)	(114)
Production	(3,357)	-	(3,357)	(6,501)	-	(6,501)	(4,440)	-	(4,440)
Development	536	46	582	86	25	111	548	53	601
Technical revisions	851	956	1,807	(697)	(2,991)	(3,688)	735	457	1,192
Closing balance December 31, 2005 ⁽²⁾	28,379	13,022	41,401	27,361	11,890	39,251	32,940	15,003	47,943

⁽¹⁾ Based on GLJ's January 1, 2006 escalated price forecast. "Gross reserves" are the Trust's working interest share before deduction of any royalties. "Net Reserves" are the total Trust's interest share after deducting royalties.

⁽²⁾ Numbers may not add due to rounding.

Finding, Development and Acquisition Costs

(excluding future development costs)

For the year end December 31, 2005

	Capital Expenditures ⁽¹⁾⁽³⁾		Reserves ⁽²⁾				Finding, Development and Acquisition Costs ⁽¹⁾	
			Total Proved		Proved plus Probable		Proved	Proved plus Probable
	\$000	%	mboe	%	mboe	%	\$/boe	\$/boe
Exploration development and revisions	35,720	11	1,283	11	1,793	10	27.84	19.92
Acquisitions, net of dispositions	298,987	89	10,360	89	16,283	90	28.86	18.36
Total	334,707	100	11,643	100	18,076	100	28.75	18.52

⁽¹⁾ Exploration development and revisions exclude the change during the most recent financial year in estimated future development costs relating to proved and proved plus probable reserves respectively. These costs would add \$0.435 million and \$12.696 million respectively, to the proved and proved plus probable reserves categories. Including these changes, the proved and proved plus probable finding and development costs are \$28.78 and \$19.22 per barrel respectively.

⁽²⁾ Gross Trust interest reserves are used in this calculation (interest reserves, before deduction of any royalties).

⁽³⁾ The capital expenditures includes the purchase price of corporate acquisitions rather than the amounts allocated to property, plant and equipment for accounting purposes. The capital expenditures also exclude capitalized administration costs and acquisition costs.

Summary of Reserves, Including First Quarter 2006 Acquisitions (Escalated Pricing)

As at January 1, 2006 ⁽¹⁾⁽²⁾

	Reserves ⁽³⁾								Before Tax Net Present Value (\$000)			
	Oil (mstb)		Gas (mmscf)		NGL (mmbbls)		Total (mboe)		Discount Rate			
Description	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Undiscounted	10%	12%	15%
Proved producing	44,003	34,958	24,323	19,685	176	145	48,233	38,382	1,041,734	659,373	619,834	570,830
Proved non producing	6,916	5,575	6,752	5,008	122	86	8,164	6,497	168,725	103,999	95,637	84,848
Total proved	50,919	40,533	31,075	24,693	298	230	56,397	44,879	1,210,459	763,372	715,471	655,678
Probable	23,068	18,334	10,908	8,718	109	85	24,994	19,872	629,869	226,166	198,069	171,076
Total proved plus probable ⁽⁵⁾	73,987	58,867	41,983	33,411	407	315	81,391	64,750	1,840,328	989,538	913,540	826,754

⁽¹⁾ Includes independent engineers' evaluations of 2005 year end and first quarter 2006 acquisitions other than two internally valued southeast Saskatchewan acquisitions of 1.2 mmbboe proved plus probable reserves less approximately 1.6 million boe of planned divestment properties.

⁽²⁾ Based on GLJ's January 1, 2006 escalated price forecast.

⁽³⁾ "Gross Reserves" are the total Trust's interest share before the deduction of any royalties. "Net Reserves" are the total Trust's interest share after deducting royalties.

⁽⁴⁾ The southwest Saskatchewan acquisition was evaluated by Sproule Associates Ltd., effective January 1, 2006.

⁽⁵⁾ Numbers may not add due to rounding.

Land Holdings

As at December 31, 2005, Crescent Point had an undeveloped land base of 132,000 net acres, with an average working interest of approximately 70 percent.

When reviewing undeveloped land holdings, the goal of the Trust is to establish reserves, production and cash flow from idle or non performing assets with no risked capital. The Trust's skilled technical team achieves this by performing a detailed geological engineering evaluation to identify those lands which do not meet the criteria for development within the Trust's main focus areas. The Trust then solicits and negotiates farm out and joint venture/ sponsorship arrangements with aggressive, technically strong management teams willing to spend growth capital on higher risk, non core land holdings.

During 2005, Crescent Point entered into five farm out/option agreements which have resulted in three wells drilled to date and an additional three wells to be drilled in 2006. These wells will be drilled at no cost to Crescent Point and although the terms are slightly different in each agreement, they are structured such that Crescent Point is carried for the costs of each well. The Trust generally receives a convertible gross overriding royalty until payout at which time such royalty will convert to a working interest of approximately 50 percent of Crescent Point's pre farm out working interest.

The Trust's undeveloped land holdings are summarized below:

Acreage Summary	2005	2004
Net acres	132,000	80,000

Risk Management & Hedging Strategy

Crescent Point's hedging strategy is to provide stability to its cash flow and distribution. A strong hedging program protects Crescent Point's cash flows and distributions through downturns in commodity prices. The Trust's mandate is to hedge up to 50 percent of its after crown royalty volumes over a 36-month period.

The Trust currently has 6,125 bbls/d, 5,250 bbls/d and 2,500 bbls/d hedged for 2006, 2007 and 2008, respectively. Crescent Point's average crude oil hedge price currently is \$61.02 per bbl, \$71.97 per bbl and \$72.77 per bbl for 2006, 2007 and 2008, respectively. Crescent Point uses a diversified approach to commodity risk management and applies a combination of swaps, collars and puts.

Hedging approximately 50 percent of production is the Trust's single most important risk management tool.

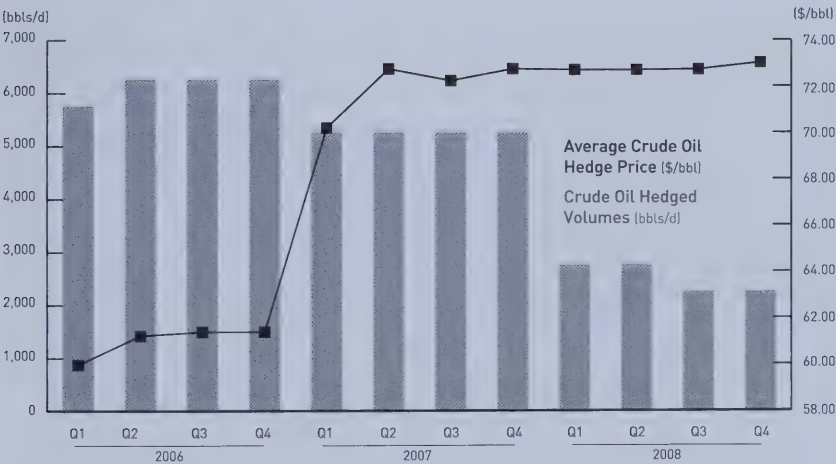
Focusing on mature, known oil pools mitigates production and technical risks, reducing annual declines and enabling low risk volume additions.

Portfolio approach to assets ensures no single property represents the Trust's entire production base.

Emphasizing high quality light oil limits operating costs, maximizes netbacks and reduces commodity price risks associated with heavy oil price differentials.

Supported by its employees, Crescent Point's goal is to achieve excellence in environmental, health and safety performance.

Hedging Activity



Corporate Governance

The Board of Directors and the members of Crescent Point's management are committed to the highest standards of corporate governance. Crescent Point employs a variety of policies, programs and practices to manage corporate governance and ensure compliance is maintained. The Trust's Board of Directors and management believe that strong corporate governance is an essential ingredient in the creation of unitholder value and the maintenance of investor confidence. To this end, Crescent Point has established a strong corporate governance culture built on integrity, accountability and transparency. Our commitment to governance excellence is highlighted through the following mechanisms:

The Board of Directors is responsible for the effective stewardship of Crescent Point on behalf of all unitholders. The Board fulfills its mandate through four standing subcommittees, each with a clearly defined charter. These are the Audit Committee, the Compensation Committee, the Reserves Committee, and the Environment, Health and Safety (EH&S) Committee.

GOVERNANCE POLICIES

During 2005, Crescent Point implemented several important governance policies, including a Whistleblower Policy, a Disclosure Policy, and a Code of Conduct. These policies facilitate an ethical and honest business environment for management and staff by calling for full, fair, accurate, and timely public disclosures; compliance with applicable laws, rules and regulations; and prompt internal reporting of policy violations to the Board Chair and Chief Financial Officer.

AUDIT COMMITTEE OVERSIGHT

Crescent Point's Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities by monitoring Crescent Point's internal controls and by reviewing all financial disclosures prior to public release. In addition, the Audit Committee reviews and approves annually the external auditors' audit plan and must approve any non audit work performed by the external auditors.

BILL 198

The Ontario Securities Commission introduced Multi-Lateral Instrument 52-109 in 2004. This regulation is being phased in over several years and requires Crescent Point's Chief Executive Officer and Chief Financial Officer to certify on the reliability of financial disclosures and on the effectiveness of controls supporting those disclosures. During 2005, the Trust commenced a comprehensive program to formally document and evaluate the effectiveness of all organizational processes that impact its corporate disclosures. Our goal, which is in line with industry, is to comply with full certification requirements by year end 2006.

Environment, Health and Safety

The health and safety of employees, contractors, visitors and the public, as well as the protection of the environment, is of utmost importance to Crescent Point. The Trust endeavours to conduct its operations in a manner that will minimize both adverse effects and consequences of emergency situations by:

- Complying with government regulations and standards;
- Conducting operations consistent with industry codes, practices and guidelines;
- Ensuring prompt, effective response and repair to emergency situations and environmental incidents;
- Providing training to employees and contractors to ensure compliance with Trust safety and environmental rules and procedures;
- Promoting the aspects of careful planning, good judgment, implementation of the Trust's procedures, and monitoring Trust activities;
- Communicating openly with members of the public regarding our activities; and
- Amending the Trust's policies and procedures as may be required from time to time.

Crescent Point believes that all employees have a vital role in achieving excellence in environmental, health and safety performance. This is best achieved through careful planning and the support and active participation of everyone involved.



Management's Discussion and Analysis

Management's discussion and analysis ("MD&A") is dated March 15, 2006 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2005 for a full understanding of the financial position and results of operations of Crescent Point Energy Trust ("Crescent Point" or the "Trust").

Throughout this discussion and analysis, Crescent Point uses the terms cash flow from operations, cash flow per unit, cash flow per unit-diluted, market value and payout. These terms do not have any standardized meaning as prescribed by Canadian generally accepted accounting principles ("GAAP") and therefore they may not be comparable with the calculation of similar measures presented by other issuers. These measures have been described and presented in order to provide unitholders and potential investors with additional information regarding the Trust's liquidity and its ability to generate funds to finance its operations. Management utilizes cash flow from operations as a key measure to assess the ability of the Trust to finance operating activities and capital expenditures. All references to cash flow from operations throughout this report are based on cash flow from operating activities before changes in non cash working capital and asset retirement obligation costs.

All amounts are expressed in Canadian dollars. A barrel of oil equivalent ("boe") is based on a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. All tabular amounts are in thousands, except per unit and volume amounts. Certain financial information for the year ended December 31, 2004 has been restated for changes in accounting policies and to conform with the current year presentation.

FORWARD LOOKING INFORMATION

Certain statements contained in this report constitute forward looking statements and are based on the Trust's beliefs and assumptions based on information available at the time the assumption was made. By its nature, such forward looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. The Trust and Crescent Point Resources Ltd. ("CPRL"), believe the expectations reflected in those forward looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward looking statements should not be unduly relied upon. These statements speak only as of the date of this report.

The material assumptions in making these forward looking statements are disclosed in this MD&A under the headings "Cash Distributions", "Taxation of Cash Distributions", "Investments in Marketable Securities", "Capital Expenditures", "Asset Retirement Obligation", "Liquidity and Capital Resources", "Critical Accounting Estimates", "New Accounting Pronouncements", "Business Risks and Prospects" and "Outlook".

This disclosure contains certain forward looking estimates that involve substantial known and unknown risks and uncertainties, certain of which are beyond Crescent Point's control, including the impact of general economic conditions; industry conditions including changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; increased competition and the lack of availability of qualified personnel or management; fluctuations in commodity prices, foreign exchange or interest rates; stock market volatility and obtaining required approvals of regulatory authorities. In addition, there are numerous risks and

uncertainties associated with oil and gas operations and the evaluation of oil and gas reserves. Therefore Crescent Point's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward looking estimates and if such actual results, performance or achievements transpire or occur, or if any of them do so, there can be no certainty as to what benefits Crescent Point will derive there from.

RESULTS OF OPERATIONS

Production

Production increased by 27 percent year over year due to the successful 2005 drilling results along with the four acquisitions completed in the second half of 2004 and eight acquisitions completed in 2005. The properties acquired were all within existing core areas consisting of predominantly light oil properties in southeast Saskatchewan and a natural gas property in Alberta.

	2005	2004	% Change
Crude oil and NGL (bbls/d)	9,196	6,815	35
Natural gas (mcf/d)	17,810	16,733	6
Total (boe/d)	12,164	9,604	27
Crude oil and NGL (%)	76	71	5
Natural gas (%)	24	29	(5)
Total (%)	100	100	-

Marketing and Prices

Crescent Point's average realized oil price for 2005 increased by 26 percent as a result of the continuing increase in WTI crude oil, partially offset by a strengthening Canadian dollar exchange rate. The oil differential realized by the Trust widened from \$7.39 per bbl in 2004 to \$9.63 per bbl, consistent with the trend in market differentials in 2005. The realized gas price increased by 30 percent, consistent with the increase in AECO benchmark prices.

Average Selling Prices ⁽¹⁾

	2005	2004	% Change
Crude oil and NGL (\$/bbl)	58.57	46.40	26
Natural gas (\$/mcf)	8.38	6.46	30
Total (\$/boe)	56.55	44.18	28

⁽¹⁾ The average selling prices reported are before realized financial instrument losses and transportation charges.

Benchmark Pricing

	2005	2004	% Change
WTI crude oil (US\$/bbl)	56.61	41.42	37
WTI crude oil (Cdn\$/bbl)	68.20	53.79	27
AECO natural gas ⁽¹⁾ (Cdn\$/mcf)	8.78	6.54	34
Exchange rate – US\$/Cdn\$	0.83	0.77	8

⁽¹⁾ The AECO natural gas price reported is the average daily spot price.

Financial Instruments and Risk Management

Management of cash flow variability is an integral component of Crescent Point's business strategy. Changing business conditions are monitored regularly and reviewed with the Board of Directors to establish hedging guidelines used by management in carrying out the Trust's strategic hedging program. The risk exposure inherent in movements in the price of crude oil and natural gas, fluctuations in the US/Cdn dollar exchange rate and interest rate movements on long term debt are all proactively managed by Crescent Point through the use of derivatives with reputable, financially sound counterparties. The Trust considers these contracts to be an effective means to manage cash flow.

All of the Trust's financial instruments are in Canadian dollars and referenced to WTI and AECO, unless otherwise noted. These financial instruments allow the Trust to hedge both prices and fluctuations in the US/Cdn dollar exchange rate.

The realized hedging losses increased from \$18.9 million in 2004 to \$32.9 million in 2005. The increase relates to the continued strengthening in world commodity prices for crude oil, as referenced by the 37 percent year over year increase in WTI.

The following is a summary of the realized financial instrument losses on oil and gas contracts:

Risk Management

(\$000, except per boe and volume amounts)	2005	2004	% Change
Average crude oil volumes hedged (bbls/d)	4,037	3,019	34
Crude oil realized financial instrument loss	32,924	18,507	78
per bbl	9.81	7.42	32
Average natural gas volumes hedged (GJ/d)	–	2,638	(100)
Natural gas realized financial instrument loss	–	348	(100)
per mcf	–	0.06	(100)
Average barrels of oil equivalent hedged (boe/d)	4,037	3,436	17
Total realized financial instrument loss	32,924	18,855	75
per boe	7.42	5.36	38

The Trust has not designated any of its risk management activities as accounting hedges under the Canadian Institute of Chartered Accountants (the "CICA") accounting guideline 13 and, accordingly, has marked to market its financial instruments. This resulted in an unrealized financial instrument loss of \$24.1 million in 2005 compared to a loss of \$8.0 million in 2004. The loss was incurred as a result of the continuing increases in forward pricing for WTI in 2005.

Crescent Point currently has the following financial instrument contracts in place:

Financial WTI Crude Oil Contracts

Term	Contract	Volume (bbls/d)	Average Swap Price (\$Cdn/bbl)	Average Bought Put Price (\$Cdn/bbl)	Average Sold Call Price (\$Cdn/bbl)
2006					
January – March	Swap	250	46.63		
January – June	Swap	1,750	50.18		
January – December	Swap	1,500	60.33		
April – December	Swap	250	51.00		
July – December	Swap	1,750	50.76		
January – December	Collar	1,000		59.37	70.10
April – December	Collar	250		65.00	83.55
January – December	Put	1,250		75.92	
April – December	Put	250		80.00	
2006 Weighted Average		6,125	54.66	69.13	72.23
2007					
January – March	Swap	1,000	58.72		
January – June	Swap	250	67.00		
January – September	Swap	250	74.52		
January – December	Swap	1,750	73.94		
April – June	Swap	1,000	72.02		
July – September	Swap	1,250	71.11		
October – December	Swap	1,500	73.22		
January – June	Collar	250		64.00	75.32
January – September	Collar	250		68.00	81.28
July – December	Collar	250		65.00	82.03
October – December	Collar	250		65.00	86.00
January – December	Collar	750		65.15	78.62
January – June	Put	500		64.50	
July – December	Put	500		70.06	
January – December	Put	250		78.76	
2007 Weighted Average		5,250	72.04	67.77	79.41

Financial WTI Crude Oil Contracts (continued)

Term	Contract	Volume (bbls/d)	Average Swap Price (\$Cdn/bbl)	Average Bought Put Price (\$Cdn/bbl)	Average Sold Call Price (\$Cdn/bbl)
2008					
January – June	Swap	1,000	72.73		
January – September	Swap	250	68.10		
January – December	Swap	1,000	72.84		
July – December	Swap	750	73.47		
October – December	Swap	250	70.80		
January – June	Collar	250		65.00	82.00
January – December	Collar	250		68.00	82.00
2008 Weighted Average		2,500	72.53	67.01	82.00

The Trust has a power swap for 3 MW/h at a fixed price of \$63.25/MW/h for the period March 1, 2006 to December 31, 2008. The Trust has an interest rate swap in the amount of \$50.0 million, bearing an interest rate of 3.01 percent, expiring May 25, 2006.

Revenues

Revenues were \$251.1 million in 2005 compared with \$155.3 million in 2004. The increase relates to the acquisitions completed in 2005 and the higher realized oil and gas prices.

[\$000] ⁽¹⁾	2005	2004	% Change
Crude oil and NGL sales	196,594	115,732	70
Natural gas sales	54,482	39,567	38
Gross revenue	251,076	155,299	62

⁽¹⁾ Revenue is reported before transportation charges and realized financial instruments.

Transportation Expenses

Transportation expenses declined slightly from \$1.13 per bbl in 2004 to \$1.04 per bbl in 2005. This decline relates to the properties acquired during the year which are subject to lower rates of transportation due to their proximity to markets.

(\$000, except per boe amounts)	2005	2004	% Change
Transportation expenses	4,619	3,968	16
Per boe	1.04	1.13	(8)

Royalty Expenses

Royalties were 20 percent of revenue in 2005 compared with 18 percent of revenue in 2004. This increase relates to the acquisitions completed during the year which are subject to higher royalty rates.

Royalties are calculated and paid based on commodity revenue net of associated transportation costs and before any realized financial instrument losses.

(\$000, except per boe amounts)	2005	2004	% Change
Total royalties, net of ARTC	50,052	28,675	75
As a % of oil and gas sales	20%	18%	2
Per boe	11.27	8.16	38

Operating Expenses

Operating expenses per boe increased by 24 percent in 2005 as a result of higher operating costs associated with the properties acquired during the last half of 2004 and in 2005, higher overall repairs and maintenance, as well as increased utility costs. In addition, an overall increase in service costs in the oil and gas sector as compared to 2004 further contributed to the increase in operating costs.

(\$000, except per boe amounts)	2005	2004	% Change
Operating expenses	35,879	22,941	56
Per boe	8.08	6.53	24

Netbacks

Crescent Point's netback before realized financial instruments for the year increased from \$28.36 per boe to \$36.16 per boe, a 28 percent increase. The increase in netbacks in 2005 is primarily due to higher commodity prices, partially offset by higher operating and royalty expenses. The netback was reduced by realized losses on financial instruments of \$7.42 per boe for 2005, compared with losses of \$5.36 per boe in 2004.

	2005			2004	
	Crude Oil and NGL (\$/bbl)	Natural Gas (\$/mcf)	Total (\$/boe)	Total (\$/boe)	% Change
Average selling price	58.57	8.38	56.55	44.18	28
Royalties	(11.80)	(1.61)	(11.27)	(8.16)	38
Operating expenses	(8.23)	(1.27)	(8.08)	(6.53)	24
Transportation	(1.05)	(0.17)	(1.04)	(1.13)	(8)
Netback prior to realized financial instruments	37.49	5.33	36.16	28.36	28
Realized loss on financial instruments	(9.81)	—	(7.42)	(5.36)	38
Netback	27.68	5.33	28.74	23.00	25

General and Administrative Expenses

General and administrative expenses per boe for the year increased by 11 percent. This increase is attributable to the overall growth of the Trust and the increased level of activity throughout the year which impacted both compensation costs and professional fees.

(\$000, except per boe amounts)	2005	2004	% Change
General and administrative costs	8,177	5,657	45
Capitalized	(1,740)	(1,048)	66
General and administrative expenses	6,437	4,609	40
Per boe	1.45	1.31	11

Interest Expense

Interest per boe increased from \$0.97 per boe in 2004 to \$1.22 per boe in 2005, primarily due to higher average debt levels, resulting from the growth of the Trust's operations.

(\$000, except per boe amounts)	2005	2004	% Change
Interest expense	5,402	3,398	59
Per boe	1.22	0.97	26

Depletion, Depreciation and Amortization

The depletion, depreciation and amortization ("DD&A") rate increased to \$15.04 per boe in 2005, from \$11.75 per boe in 2004. The higher DD&A rate is due to the acquisitions completed in 2005 which carried a higher cost per barrel compared to the existing Trust's properties, a trend observed throughout the Canadian oil and gas industry.

(\$000, except per boe amounts)	2005	2004	% Change
Depletion, depreciation and amortization	66,790	41,300	62
Per boe	15.04	11.75	28

Taxes

Capital tax expense consists of Large Corporations Tax and Saskatchewan Corporation Capital Tax Resource Surcharge. Capital tax expense increased by \$2.7 million in 2005 due to the introduction of Saskatchewan Capital Tax and Resource Surcharge on certain entities owned by the Trust, the elimination of a partnership within the Trust's structure which resulted in the acceleration of Saskatchewan Resource Surcharge and the increase in commodity prices on the Trust's Saskatchewan production.

Future income taxes arise from differences between the accounting and tax basis of certain operating entity's assets and liabilities. In the Trust structure, payments are made between the operating entities and the Trust transferring both the income and tax liability to the unitholders. Accordingly, it is expected that the Trust will not incur any cash income taxes in the future.

Corporate acquisitions completed in 2005 resulted in the Trust recording a future tax liability of \$25.4 million. Crescent Point's future income tax recovery increased from \$12.4 million in 2004 to \$27.8 million in 2005, reflecting the fact that the majority of the Trust's operating properties are in entities that are not expected to incur any cash taxes in the future.

(\$000)	2005	2004	% Change
Capital and other tax expense	5,527	2,854	94
Future income tax recovery	(27,800)	(12,417)	124

Cash Flow and Net Income

Cash flow from operations increased by 57 percent in 2005 to \$109.8 million from \$69.8 million in 2004. The increase in 2005 cash flow was primarily the result of higher commodity prices, combined with higher production volumes attributable to the accretive acquisitions completed in 2005.

Net income increased from \$29.7 million in 2004 to \$38.5 million in 2005, mainly due to the \$15.4 million increase in the future tax recovery.

(\$000, except per unit amounts)	2005	2004	% Change
Cash flow from operations	109,785	69,828	57
Cash flow from operations per unit-diluted	3.04	2.49	22
Net income	38,509	29,743	29
Net income per unit-diluted	1.12	1.07	5

CASH DISTRIBUTIONS

Crescent Point's distributions to unitholders are paid monthly and are dependent upon commodity prices, production levels and the amount of capital expenditures to be funded from cash flow. The Trust reinvests part of its cash flow towards the capital program to provide for more sustainable distributions in the future. The actual amount of the distributions are at the discretion of the Board of Directors. In the event that commodity prices are higher than anticipated and a cash surplus develops, the surplus may be used to increase distributions, reduce debt and/or increase the Trust's capital program.

The payout ratio on a per unit-diluted basis for 2005 was 70 percent, a reduction from the 82 percent payout ratio in 2004. The payout ratio declined due to the increase in cash flow over the prior year.

The Trust has maintained monthly distributions of \$0.17 per unit from its inception through August 2005. The Trust increased the monthly distributions to \$0.19 per unit for the September 2005 distribution and \$0.20 per unit for the November 2005 distribution. The accumulated distributions provided to unitholders since inception is \$4.86 per unit.

Cash Distributions

(\$000, except per unit and percent amounts)	2005	2004	% Change
Cash distributions	74,591	53,877	38
Cash distributions – per unit	2.14	2.04	5
Payout ratio (%)	68	77	(9)
Payout ratio – per unit-diluted (%)	70	82	(12)

The following table provides a reconciliation of distributable cash:

Distributable Cash

(\$000)	2005	2004
Cash flow from operations before changes in non cash working capital and ARO expenditures	109,785	69,828
Reclamation fund contributions	(1,042)	(539)
Distributable cash	108,743	69,289
Allocation of Distributable Cash		
Cash withheld	34,152	15,412
Cash distributions declared	74,591	53,877
Distributable cash	108,743	69,289

TAXATION OF CASH DISTRIBUTIONS

Cash distributions are comprised of a return on capital portion (taxable) and a return of capital portion (tax deferred). For cash distributions received by a Canadian resident outside of a registered pension or retirement plan in the 2005 taxation year, the breakdown is 87 percent taxable with the remaining 13 percent being tax deferred.

The following is a breakdown of the cash distributions per unit paid or payable by the Trust with respect to the record dates from January 31, 2005 to December 31, 2005 for Canadian tax purposes:

Record Date	Payment Date	Taxable Amount (Box 26 Other Income)	Tax Deferred Amount (Box 42 Return of Capital)	Total Cash Distribution
January 31, 2005	February 15, 2005	\$0.1479	\$0.0221	\$0.17
February 28, 2005	March 15, 2005	\$0.1479	\$0.0221	\$0.17
March 31, 2005	April 15, 2005	\$0.1479	\$0.0221	\$0.17
April 30, 2005	May 16, 2005	\$0.1479	\$0.0221	\$0.17
May 31, 2005	June 15, 2005	\$0.1479	\$0.0221	\$0.17
June 30, 2005	July 15, 2005	\$0.1479	\$0.0221	\$0.17
July 31, 2005	August 15, 2005	\$0.1479	\$0.0221	\$0.17
August 31, 2005	September 15, 2005	\$0.1479	\$0.0221	\$0.17
September 30, 2005	October 17, 2005	\$0.1653	\$0.0247	\$0.19
October 31, 2005	November 15, 2005	\$0.1653	\$0.0247	\$0.19
November 30, 2005	December 15, 2005	\$0.1740	\$0.0260	\$0.20
December 31, 2005	January 16, 2006	\$0.1740	\$0.0260	\$0.20
Total per trust unit		\$1.8618	\$0.2782	\$2.14

INVESTMENTS IN MARKETABLE SECURITIES

The investments in marketable securities are comprised of shares of public oil and gas corporations. The investments are recorded at carrying value, which is more than the fair value of \$28.7 million at December 31, 2005. The Trust believes this decline is temporary in nature and has not recorded a reduction to the carrying value.

CAPITAL EXPENDITURES

In the year ended December 31, 2005, capital expenditures, net of dispositions, totalled \$360.3 million compared to \$174.3 million in 2004. The Trust had an active year on the acquisitions front with net capital acquisitions of \$322.2 million (net of closing adjustments) comprised of four corporate acquisitions and four property acquisitions.

The net capital acquisitions of \$322.2 million includes the amount allocated to property, plant and equipment for corporate acquisitions. The net capital acquisitions for 2005, including the purchase price of corporate acquisitions, was \$301.2 million. The purchase price of corporate acquisitions differs from the amount allocated to property, plant and equipment as there were allocations made to goodwill, other assets and liabilities. Refer to Note 6 to the consolidated financial statements for more information regarding allocations.

The corporate acquisitions in southeast Saskatchewan were comprised of the acquisition of Bulldog Energy Inc. for \$120.4 million, the acquisition of a private consortium for \$45.5 million, the acquisition of a partnership for \$37.8 million and the acquisition of a private company for \$4.6 million. A property acquisition of \$44.5 million in John Lake, Alberta was completed and three property acquisitions totaling \$48.4 million in southeast Saskatchewan were completed.

Subsequent to the end of the year, on January 9, 2006, the Trust closed a corporate acquisition of a company owning properties in the Cantuar/Battrum area of southwest Saskatchewan for a purchase price of approximately \$257.0 million, before closing adjustments. The purchase was funded through an equity financing of \$220.1 million and the Trust's existing bank lines. The Trust also closed four other acquisitions in the first quarter of 2006 for a total purchase price of approximately \$98.5 million, before closing adjustments.

The Trust's 2006 capital program, excluding acquisitions, is budgeted to be approximately \$75 million which will be financed through cash flow and existing credit facilities.

The Trust does not set a budget for acquisitions. The Trust searches for opportunities that align with strategic parameters and evaluates each prospect on a case by case basis. The Trust's acquisitions are expected to be financed through bank debt, the distribution reinvestment program and new equity issuances.

Capital Expenditures (net) ⁽¹⁾⁽²⁾

(\$000)	2005	2004	% Change
Capital acquisitions (net)	322,185	145,152	122
Development capital expenditures			
Drilling and development	35,720	26,868	33
Capitalized administration	1,740	1,048	66
	37,460	27,916	34
Other	670	1,267	(47)
Total	360,315	174,335	107

⁽¹⁾ The capital expenditures include the amount allocated to property, plant and equipment for corporate acquisitions. This differs from the purchase price as there were allocations made to goodwill, other assets and liabilities.

⁽²⁾ The capital expenditures do not include the amounts recorded to property, plant and equipment in respect of asset retirement obligations or in respect of fair value adjustments on the conversion of exchangeable shares.

GOODWILL

The \$10.2 million increase in the Trust's goodwill is attributable to the acquisition of Bulldog Energy Inc. The remaining goodwill is comprised of \$37.0 million which arose on the acquisition of Capio Petroleum Corporation in 2004 and \$21.1 million from the acquisition of Tappit Resources Ltd. in 2003. The Trust performed a goodwill impairment test at December 31, 2005 and no impairment of goodwill exists.

ASSET RETIREMENT OBLIGATION

The asset retirement obligation increased by \$11.9 million during 2005. There were liabilities of \$10.9 million recorded in respect of acquisitions and new wells drilled during 2005. Additionally, there was accretion of \$2.0 million recorded, which was partially offset by actual expenditures of \$1.0 million.

LIQUIDITY AND CAPITAL RESOURCES

On November 2, 2005, the amount available under the Trust's credit facility was increased from \$165 million to \$200 million and a further increase to \$245 million was obtained on November 25, 2005. As at December 31, 2005, the Trust had net debt of \$194.5 million compared with \$95.3 million as at December 31, 2004. The amount drawn under the credit facility by the Trust at December 31, 2005 was \$225.7 million, providing in excess of \$19.0 million of unutilized credit capacity.

On January 9, 2006, the amount available under the Trust's credit facility was increased from \$245 million to \$320 million to reflect the additional borrowing base available from the acquisitions which closed in January 2006. Given the significant amount available but unutilized under the credit facility and the success raising new equity during the year (see Unitholders' Equity discussion below), the Trust believes it has sufficient capital resources to meet its obligations.

At the end of 2005, Crescent Point was capitalized with 18 percent debt and 82 percent equity, as compared with 15 percent debt and 85 percent equity at the end of 2004 (based on year end market capitalization). The Trust's net debt to cash flow ratio was 1.8 times at the end of 2005 (using the annual cash flows for 2005), as compared with 1.4 times at the

end of 2004. The Trust's debt to cash flow at year end reflects the purchase price of acquisitions completed during the year while the cash flows only reflect cash flows generated since the closing dates of acquisitions. The Trust's projected annual cash flow and debt will result in a net debt to cash flow ratio below 0.8 times in 2006.

Capitalization Table

(\$000, except unit, per unit and percent amounts)	2005	2004
Bank debt	225,710	92,720
Working capital ⁽¹⁾	(31,165)	2,640
Net debt ⁽¹⁾	194,545	95,360
Trust units outstanding and issuable for exchangeable shares	43,062,885	30,906,277
Market price at end of year (per unit)	20.68	16.85
Market capitalization	890,540	520,771
Total capitalization ⁽²⁾	1,085,085	616,131
Net debt as a percentage of total capitalization (%)	18	15
Annual cash flow	109,785	69,828
Net debt to cash flow ⁽³⁾	1.8	1.4

(1) The working capital and net debt exclude the risk management liability.

(2) Total capitalization as presented does not have any standardized meaning prescribed by Canadian GAAP and therefore it may not be comparable with the calculation of similar measures for other entities. Total capitalization is not intended to represent the total funds from equity and debt received by the Trust.

(3) The net debt reflects the financing of acquisitions, however the cash flow only reflects cash flows generated from the acquired properties since the closing dates of the acquisitions.

UNITHOLDERS' EQUITY

Crescent Point's total capitalization increased 76 percent to \$1.1 billion at December 31, 2005, with the market value of trust units representing 82 percent of total capitalization. This compares with the total capitalization of \$616.1 million at December 31, 2004, with the market value of the trust units representing 85 percent of total capitalization.

On April 21, 2005, the Trust closed a bought deal equity financing of 3,930,000 trust units at \$19.10 per trust unit for gross proceeds of \$75.1 million. On July 26, 2005, 2,000,000 trust units were issued at \$18.15 per unit in conjunction with the acquisition of a private consortium of companies. Additionally, on September 13, 2005, a further 235,000 trust units were issued at \$19.40 in connection with the acquisition of a private company and on November 29, 2005, 4,490,564 trust units were issued at \$21.70 in conjunction with the acquisition of Bulldog Energy Inc.

On December 29, 2005, the Trust and a syndicate of underwriters closed a bought deal equity financing pursuant to which the syndicate sold 10,406,000 subscription receipts of the Trust for gross proceeds of \$220.1 million (\$21.15 per subscription receipt). On January 9, 2006, all conditions of this offering were satisfied and the subscription receipts were converted to trust units and the proceeds were released to the Trust.

During the year ended December 31, 2005, the units traded in the ranges of \$16.80 to \$22.01 with an average daily trading volume of 138,609 units.

For the year ended December 31, 2005, the distribution reinvestment and premium distribution reinvestment plans resulted in an additional 1,259,002 units being issued at an average price of \$18.65 raising a total of \$23.5 million. Participation levels in these plans is currently approximately 30 percent. The cash raised through these alternative equity programs is used for general corporate purposes. Crescent Point will continue to monitor participation levels and utilize these funds in the most effective manner.

The Trust has a Restricted Unit Bonus Plan and under the terms of this plan, the Trust may grant restricted units to directors, officers, employees and consultants. Restricted units vest at 33 1/3 percent on each of the first, second and third anniversaries of the grant date. Restricted unitholders are eligible for monthly distributions on their first third of restricted units, immediately upon grant. On the date the other two thirds of the restricted units vest, the restricted unitholders are entitled to the accrued distributions from the date of grant.

The unitholders have approved a maximum number of trust units issuable under the Restricted Unit Bonus Plan of 935,000 units. The Trust had 589,555 restricted units outstanding at December 31, 2005 compared with 400,559 units outstanding at December 31, 2004. The Trust recorded compensation expense and contributed surplus of \$4.3 million in the year ended December 31, 2005 based on the fair value of the units on the date of the grant. Additionally, the Trust recorded \$450,000 of cash distributions on the first third of restricted units granted. The total cash and non cash unit based compensation recorded in the year was \$4.7 million.

NON CONTROLLING INTEREST

The Trust has recorded a non controlling interest in respect of the issued and outstanding exchangeable shares of CPRL, a corporate subsidiary of the Trust, in accordance with new accounting requirements pursuant to EIC-151 (see "Accounting Changes in the Current Year" section of this MD&A for further discussion). The intent of the new standard is that exchangeable shares of a subsidiary which are transferable to third parties, outside of the consolidated entity, represent a non controlling interest in the subsidiary.

There are no limitations regarding the transferability of CPRL's exchangeable shares, therefore, the exchangeable shares are transferable to third parties. In all circumstances, including in the event of liquidation, holders of exchangeable shares will receive trust units in exchange for their exchangeable shares and as a result, the exchangeable shares and trust units are considered to be economically equivalent. Therefore, the Trust does not believe there is a permanent non controlling interest as all exchangeable shares will ultimately be exchanged for trust units by passage of time. Consequently, as the exchangeable shares are exchanged for trust units over time, the non controlling interest will decrease and eventually will be nil when all the exchangeable shares have been exchanged or converted for trust units on or before September 5, 2013. However, the Trust has reflected the non controlling interest in accordance with the requirements of EIC-151.

The exchangeable shares issued pursuant to the conversion to a trust were initially recorded at their pro rata percentage of carrying value of CPRL equity, while the exchangeable shares issued pursuant to the acquisition of Tappit Resources Ltd. were recorded at their fair value. When the exchangeable shares recorded at carrying value are converted into trust units, the conversion is recorded as an acquisition of the non controlling interest at fair value and is accounted for as a step acquisition. Upon conversion of the exchangeable shares, the fair value of the trust units issued is recorded in the unitholders' capital, and the difference between the carrying value of the non controlling interest and the fair value of the trust units is recorded as property, plant and equipment.

The non controlling interest of \$7.6 million at December 31, 2005 (December 31, 2004 – \$7.3 million) on the consolidated balance sheet represents the book value of exchangeable shares plus accumulated earnings attributable to the outstanding exchangeable shares. The non controlling interest on the income statement for the years ended December 31, 2005 and 2004 of \$1.9 million and \$176,000 respectively, represents the net earnings attributable to the exchangeable shareholders for these years.

As at December 31, 2005, there were 988,073 exchangeable shares outstanding at an exchange ratio of 1.333 whereby 1,317,101 trust units would be issuable upon conversion. The exchangeable shares can be converted into trust units or redeemed by the exchangeable shareholder for trust units at any time. Crescent Point may redeem all outstanding exchangeable shares on or before September 5, 2013 and may redeem the exchangeable shares at any time.

The new standard has been applied retroactively with restatement of prior years. Consequently, previously reported income has been restated to reflect the impact of the new standard. See "Accounting Changes in the Current Year" in this MD&A for a quantification of the impact of this standard.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Trust has assumed various contractual obligations and commitments in the normal course of operations. The following table summarizes the Trust's contractual obligations and commitments as at December 31, 2005:

(\$000)	Total	Expected Payout Date			
		2006	2007-2008	2009-2010	After 2010
Operating leases ⁽¹⁾	12,434	2,146	2,785	2,150	5,353

⁽¹⁾ Operating leases includes leases for office space and equipment.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Trust's financial statements requires management to adopt accounting policies that involve the use of significant estimates and assumptions. These estimates and assumptions are developed based on the best available information and are believed by management to be reasonable under the existing circumstances. New events or additional information may result in the revision of these estimates over time. A summary of the significant accounting policies used by Crescent Point can be found in Note 2 to the December 31, 2005 consolidated financial statements. The following discussion outlines what management believes to be the most critical accounting policies involving the use of estimates or assumptions.

Depletion, Depreciation and Amortization ("DD&A")

Crescent Point follows the CICA accounting guideline AcG-16 on full cost accounting in the oil and gas industry to account for oil and gas properties. Under this method, all costs associated with the acquisition of, exploration for, and the development of natural gas and crude oil reserves are capitalized and costs associated with production are expensed. The capitalized costs are depleted using the unit of production method based on estimated proved reserves using management's best estimate of future prices (see Oil and Gas Reserves discussion below). Reserve estimates can have a significant impact on earnings, as they are a key component in the calculation of depletion. A downward revision in a reserve estimate could result in a higher DD&A charge to earnings. In addition, if net capitalized costs are determined to be in excess of the calculated ceiling, which is based largely on reserve estimates (see Asset Impairment discussion below), the excess must be written off as an expense charged against earnings. In the event of a property disposition, proceeds are normally deducted from the full cost pool without recognition of a gain or loss unless there is a change in the DD&A rate of 20 percent or greater.

Asset Retirement Obligation

Upon retirement of its oil and gas assets, the Trust anticipates incurring substantial costs associated with asset retirement activities. Estimates of the associated costs are subject to uncertainty associated with the method, timing and extent of future retirement activities. A liability for these costs and a related asset are recorded using the discounted asset retirement costs and the capitalized costs are depleted on a unit of production basis over the associated reserve life. Accordingly, the liability, the related asset and the expense are impacted by changes in the estimates and timing of the expected costs and reserves (see Oil and Gas Reserves discussion below).

Asset Impairment

Producing properties and unproved properties are assessed annually, or as economic events dictate, for potential impairment. Impairment is assessed by comparing the estimated undiscounted future cash flows to the carrying value of the asset. The cash flows used in the impairment assessment require management to make assumptions and estimates about recoverable reserves (see Oil and Gas Reserves discussion below), future commodity prices and operating costs. Changes in any of the assumptions, such as a downward revision in reserves, a decrease in future commodity prices, or an increase in operating costs could result in an impairment of an asset's carrying value.

Purchase Price Allocation

Business acquisitions are accounted for by the purchase method of accounting. Under this method, the purchase price is allocated to the assets acquired and the liabilities assumed based on the fair value at the time of acquisition. The excess purchase price over the fair value of identifiable assets and liabilities acquired is goodwill. The determination of fair value often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of property, plant and equipment acquired generally requires the most judgment and include estimates of reserves acquired (see Oil and Gas Reserves discussion below), future commodity prices, and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities, and goodwill in the purchase price allocation. Future net earnings can be affected as a result of changes in future depletion and depreciation, asset impairment or goodwill impairment.

Goodwill Impairment

Goodwill is subject to impairment tests annually, or as economic events dictate, by comparing the fair value of the reporting entity to its carrying value, including goodwill. If the fair value of the reporting entity is less than its carrying value, a goodwill impairment loss is recognized as the excess of the carrying value of the goodwill over the implied value of the goodwill. The determination of fair value requires management to make assumptions and estimates about recoverable reserves (see Oil and Gas Reserves discussion below), future commodity prices, operating costs, production profiles, and discount rates. Changes in any of these assumptions, such as a downward revision in reserves, a decrease in future commodity prices, an increase in operating costs or an increase in discount rates could result in an impairment of all or a portion of the goodwill carrying value in future periods.

Oil and Gas Reserves

Reserves estimates, although not reported as part of the Trust's financial statements, can have a significant effect on net earnings as a result of their impact on depletion and depreciation rates, asset retirement provisions, asset impairments, purchase price allocations, and goodwill impairment (see discussion of these items above). Independent petroleum reservoir engineering consultants perform evaluations of the Trust's oil and gas reserves on an annual basis. However, the estimation of reserves is an inherently complex process requiring significant judgment. Estimates of economically recoverable oil and gas reserves are based upon a number of variables and assumptions such as geoscientific interpretation, commodity prices, operating and capital costs and production forecasts, all of which may vary considerably from actual results. These estimates are expected to be revised upward or downward over time, as additional information such as reservoir performance becomes available, or as economic conditions change.

NEW ACCOUNTING PRONOUNCEMENTS

Accounting Changes in the Current Year

Variable Interest Entities

Effective January 1, 2005, the Trust adopted the new CICA accounting guideline AcG-15, "Consolidation of Variable Interest Entities". This standard requires that certain entities be consolidated by the primary beneficiary. There is no impact of the Trust's financial statements as a result of adopting this guideline.

Exchangeable Shares – Non Controlling Interest

In the second quarter of 2005, the Trust applied the requirements of EIC-151 "Exchangeable Securities Issued by Subsidiaries of Income Trusts". This accounting policy was adopted retroactively and prior year comparative balances have been restated. Adoption of the policy had the following effects on the Trust's consolidated balance sheets:

(\$000)	2005	2004
Increase in property, plant and equipment	16,940	10,212
Increase in future income tax liability	5,979	3,610
Increase in non controlling interest	7,565	7,266
Decrease in exchangeable shares	(5,598)	(7,406)
Increase in unitholders' capital	12,843	7,247
Decrease in accumulated earnings, end of year	(3,849)	(505)

Adoption of the policy had the following effects on Crescent Point's consolidated statements of operations and accumulated earnings:

(\$000, except per unit amounts)	2005	2004
Increase in depletion expense	2,177	1,143
Increase in future income tax recovery	(766)	(403)
Increase in non controlling interest	1,933	177
Decrease in net income	(3,344)	(917)
Increase (decrease) in accumulated earnings, beginning of year	(505)	412
Increase (decrease) in net income per unit	(0.10)	0.04
Decrease in net income per unit-diluted	(0.04)	(0.02)

Future Accounting Changes

Financial Instruments

The CICA issued a new accounting standard, CICA Accounting Standard Handbook section 3855, "Financial Instruments Recognition and Measurement". This standard prescribes how and at what amount financial assets, financial liabilities and non financial derivatives are to be recognized on the balance sheet. The standard prescribes fair value in some cases while cost based measures are prescribed in other cases. It also specifies how financial instrument gains and losses are to be presented. The new standard is effective for fiscal years beginning on or after October 1, 2006. The Trust has not assessed the impact of this standard on its financial statements.

OUTSTANDING TRUST UNIT DATA

As at February 28, 2006, the Trust had 54,600,687 trust units outstanding and 988,073 exchangeable shares outstanding. The number of trust units issuable upon conversion of the exchangeable shares is 1,342,208 trust units, using the exchange ratio in effect at February 28, 2006.

SELECTED ANNUAL INFORMATION

	2005	2004	2003
(\$000 except per unit amounts) ⁽¹⁾		(restated ⁽¹⁾)	(restated ⁽¹⁾)
Total revenue	251,076	155,299	76,792
Net income ⁽²⁾	38,509	29,743	9,546
Net income per unit ⁽²⁾	1.12	1.14	0.58
Net income per unit-diluted ⁽²⁾	1.12	1.07	0.49
Cash flow from operations	109,785	69,828	36,626
Cash flow from operations per unit	3.20	2.66	2.23
Cash flow from operations per unit-diluted	3.04	2.49	1.99
Total assets	808,297	407,530	209,844
Total long term financial liabilities	4,590	—	—
Cash distributions	74,591	53,877	11,697
Cash distributions/dividends per unit/share	2.14	2.04	0.68

⁽¹⁾ The comparative annual results have been restated for the retroactive impact of adopting the accounting standard for asset retirement obligations and the application of the change in accounting policy for exchangeable shares.

⁽²⁾ Net income and net income before discontinued operations and extraordinary items are the same.

Crescent Point's revenue, cash flow and assets have increased significantly from the year ended December 31, 2003 through the year ended December 31, 2005 due to numerous corporate and property acquisitions, which have resulted in higher production volumes. This factor combined with favourable commodity prices and the Trust's successful drilling and development program have produced the increases realized in the table noted above.

SUMMARY OF QUARTERLY RESULTS

(\$000, except per unit amounts)	2005				2004			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenue	75,935	72,336	54,489	48,316	47,895	41,077	34,847	31,480
Net income (loss) ^{(1) (2)}	33,453	10,506	6,534	(11,985)	24,120	2,846	2,520	254
Net income (loss) per unit ^{(1) (2)}	0.87	0.29	0.20	(0.41)	0.83	0.11	0.10	0.01
Net income (loss) per unit-diluted ^{(1) (2)}	0.87	0.28	0.19	(0.44)	0.78	0.10	0.09	0.01
Cash flow from operations	33,424	33,275	22,978	20,108	19,875	18,096	16,348	15,509
Cash flow from operations per unit	0.87	0.93	0.69	0.68	0.69	0.69	0.65	0.64
Cash flow from operations per unit-diluted	0.83	0.88	0.66	0.64	0.64	0.64	0.60	0.59
Capital expenditures	177,880	73,298	79,619	29,518	21,728	74,948	8,875	68,784
Cash distributions	22,835	19,329	17,340	15,087	14,834	13,490	12,929	12,624
Cash distributions per unit	0.59	0.53	0.51	0.51	0.51	0.51	0.51	0.51

⁽¹⁾ Net income and net income before discontinued operations and extraordinary items are the same.

⁽²⁾ The comparative quarterly results have been restated for the retroactive impact of adopting the accounting standard for asset retirement obligations and the application of the change in accounting policy for exchangeable shares.

Crescent Point's revenue has increased significantly due to several property and corporate acquisitions completed in each of the past two years and the Trust's successful drilling programs. The overall growth in the Trust's asset base also contributed to the general increase in cash flow from operations. Net income has fluctuated primarily due to unrealized financial instrument gains and losses on oil and gas contracts, which fluctuate with changes in market conditions. Capital expenditures fluctuated throughout this period as a result of timing of acquisitions. The general increase in cash flows throughout the last eight quarters has allowed the Trust to maintain stable monthly cash distributions of \$0.17 per unit through August 2005 with increases to \$0.19 per unit in September 2005 and to \$0.20 per unit in November 2005.

FOURTH QUARTER REVIEW

The following are the main highlights of the fourth quarter of 2005:

- Crescent Point's cash flow from operations increased by 68 percent from \$19.9 million or \$0.64 per unit-diluted in the fourth quarter of 2004 to \$33.4 million or \$0.83 per unit-diluted in the fourth quarter of 2005, primarily due to the accretive acquisitions completed in the year, and higher corporate netbacks.
- The Trust's acquisitions and successful drilling program increased average daily production by 22 percent from 11,338 boe/d in the fourth quarter of 2004, to 13,791 boe/d in the fourth quarter of 2005.
- The Trust completed two acquisitions in southeast Saskatchewan for a total purchase price of approximately \$158.2 million.

- Crescent Point drilled 17 (11.2 net) wells in the fourth quarter with a success rate of 100 percent.
- The Trust maintained an excellent balance sheet throughout the quarter which positions the Trust for continued growth in 2006 and beyond. The Trust's credit facility was increased to \$245 million in the fourth quarter.
- Crescent Point increased the monthly distributions to \$0.20 per unit in November, totaling \$0.59 per unit for the fourth quarter of 2005, representing a payout ratio of 71 percent on a per unit-diluted basis.

DISCLOSURE CONTROLS

The Chief Executive Officer and Chief Financial Officer of the administrator of the Trust have evaluated the Trust's disclosure controls and procedures as of December 31, 2005. Based on that evaluation, these officers have concluded that the Trust's disclosure controls and procedures are effective in insuring the material information required to be in this report is made known to them on a timely basis.

BUSINESS RISKS AND PROSPECTS

Crescent Point is exposed to several operational risks inherent in exploiting, developing, producing and marketing crude oil and natural gas. These risks include:

- Economic risk of finding and producing reserves at a reasonable cost;
- Financial risk of marketing reserves at an acceptable price given market conditions;
- Cost of capital risk to carry out the Trust's operations; and
- The risk of carrying out operations with minimal environmental impact.

Crescent Point strives to manage or minimize these risks in a number of ways, including:

- Employing qualified professional and technical staff;
- Concentrating in a limited number of areas with low cost exploitation and development objectives;
- Utilizing the latest technology for finding and developing reserves;
- Constructing quality, environmentally sensitive, safe production facilities;
- Maximizing operational control of drilling and producing operations;
- Mitigating price risk through strategic hedging; and
- Adhering to conservative borrowing guidelines.

HEALTH, SAFETY AND ENVIRONMENT POLICY

The health and safety of employees, contractors, visitors and the public, as well as the protection of the environment, is of utmost importance to Crescent Point. The Trust endeavours to conduct its operations in a manner that will minimize both adverse effects and consequences of emergency situations by:

- Complying with government regulations and standards;
- Conducting operations consistent with industry codes, practices and guidelines;
- Ensuring prompt, effective response and repair to emergency situations and environmental incidents;

- Providing training to employees and contractors to ensure compliance with Trust safety and environmental rules and procedures;
- Promoting the aspects of careful planning, good judgment, implementation of the Trust's procedures, and monitoring Trust activities;
- Communicating openly with members of the public regarding our activities; and
- Amending the Trust's policies and procedures as may be required from time to time.

Crescent Point believes that all employees have a vital role in achieving excellence in environmental, health and safety performance. This is best achieved through careful planning and the support and active participation of everyone involved.

OUTLOOK

The Trust's annual projections for 2006 are as follows:

Production	
Oil and NGL (bbls/d)	16,650
Natural gas (mcf/d)	18,600
Total (boe/d)	19,750
Cash flow (\$000)	201,000
Cash flow per unit-diluted (\$)	3.35
Cash distributions per unit (\$)	2.40
Payout ratio – per unit-diluted (%)	72
Capital expenditures (\$000) ⁽¹⁾	75,000
Wells drilled, net	80
Pricing	
Crude oil – WTI (US\$/bbl)	60.00
Crude oil – WTI (Cdn\$/bbl)	68.97
Natural gas – Corporate (Cdn\$/GJ)	7.00
Exchange rate (US\$/Cdn\$)	0.87

⁽¹⁾ The projection of capital expenditures excludes acquisitions, which are separately considered and evaluated.

Additional information relating to Crescent Point, including the Trust's renewal annual information form, is available on SEDAR at www.sedar.com.

Management's Responsibility for Financial Reporting

The management of Crescent Point Energy Trust is responsible for the preparation of all information included in this Annual Report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include certain estimates that reflect management's best estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. The financial information contained elsewhere in this Annual Report has been reviewed to ensure consistency with that in the consolidated financial statements.

Management has developed and maintains an extensive system of internal accounting controls that provide reasonable assurance that all transactions are accurately recorded, that the financial statements realistically report the Trust's operating and financial results, and that the Trust's assets are safeguarded. Management believes that this system of internal controls has operated effectively for the year ended December 31, 2005.

PricewaterhouseCoopers LLP, an independent firm of chartered accountants, was appointed by a resolution of the Board of Directors to audit the financial statements of the Trust and provide an independent professional opinion. PricewaterhouseCoopers LLP was appointed to hold such office until the next annual meeting of the unitholders of the Trust.

The Board of Directors, through its Audit Committee, has reviewed the financial statements including notes thereto with management and PricewaterhouseCoopers LLP. The members of the Audit Committee are composed of independent directors who are not employees of the Trust. The Board of Directors has approved the information contained in the financial statements based on the recommendation of the Audit Committee.



Scott Saxberg
President and Chief Executive Officer
March 3, 2006



Greg Tisdale
Chief Financial Officer

Auditors' Report

To the Unitholders of Crescent Point Energy Trust

We have audited the consolidated balance sheets of Crescent Point Energy Trust as at December 31, 2005 and 2004 and the consolidated statements of operations and accumulated earnings and cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

Calgary, Alberta

March 3, 2006

Consolidated Balance Sheets

As at December 31

(\$000)	2005	2004
ASSETS		Restated (Note 3)
Current assets		
Cash	317	44
Accounts receivable	40,733	20,645
Investments in marketable securities (Note 4)	30,191	-
Prepays and deposits	7,098	339
	78,339	21,028
Deposit on property, plant and equipment (Note 17(b))	25,700	-
Reclamation fund	241	225
Property, plant and equipment (Note 7)	635,667	328,130
Goodwill (Note 6)	68,350	58,147
Total assets	808,297	407,530
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	41,406	20,322
Cash distributions payable	5,768	3,346
Bank indebtedness (Note 8)	225,710	92,720
Risk management liability (Note 15)	27,495	7,898
	300,379	124,286
Asset retirement obligation (Note 9)	33,275	21,403
Risk management liability (Note 15)	4,590	-
Future income taxes (Note 13)	37,388	36,691
Total liabilities	375,632	182,380
NON CONTROLLING INTEREST		
Exchangeable shares (Note 11)	7,565	7,266
UNITHOLDERS' EQUITY		
Unitholders' capital (Note 10)	488,060	247,253
Contributed surplus (Note 12)	4,409	1,918
Accumulated earnings	72,796	34,287
Accumulated cash distributions (Note 5)	(140,165)	(65,574)
Total unitholders' equity	425,100	217,884
Total liabilities and unitholders' equity	808,297	407,530

Commitments (Note 16)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Directors,



D. Hugh Gillard
Director



Gerald A. Romanzin
Director

Consolidated Statements of Operations and Accumulated Earnings

For the years ended December 31

(\$000, except per unit amounts)	2005	2004 Restated [Note 3]
REVENUE		
Oil and gas sales	251,076	155,299
Transportation expenses	(4,619)	(3,968)
Royalties, net of ARTC	(50,052)	(28,675)
Financial instruments		
Realized losses	(32,924)	(18,855)
Unrealized losses (Note 15)	(24,098)	(7,987)
	139,383	95,814
EXPENSES		
Operating	35,879	22,941
General and administrative	6,437	4,609
Unit based compensation (Note 12)	4,706	2,412
Interest on bank indebtedness	5,402	3,398
Depletion, depreciation and amortization	66,790	41,300
Accretion on asset retirement obligation (Note 9)	2,000	798
Capital and other taxes	5,527	2,854
	126,741	78,312
Income before future income tax	12,642	17,502
Future income tax recovery (Note 13)	(27,800)	(12,417)
Net income before non controlling interest	40,442	29,919
Non controlling interest (Note 11)	(1,933)	(176)
Net income for the year	38,509	29,743
Accumulated earnings, beginning of the year, as previously reported	34,792	3,994
Retroactive application of change in accounting policy (Note 3)	(505)	550
Accumulated earnings, beginning of the year, as restated	34,287	4,544
Accumulated earnings, end of the year	72,796	34,287
Net income per unit (Note 14)		
Basic	1.12	1.14
Diluted	1.12	1.07

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows

For the years ended December 31

(\$000)	2005	2004
		Restated (Note 3)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net income for the year	38,509	29,743
Items not affecting cash		
Non controlling interest	1,933	176
Future income taxes	(27,800)	(12,417)
Unit based compensation (Note 12)	4,255	2,294
Depletion, depreciation and amortization	66,790	41,300
Accretion on asset retirement obligation (Note 9)	2,000	798
Gain on sale of investment	-	(53)
Unrealized losses on financial instruments (Note 15)	24,098	7,987
Cash flow from operations	109,785	69,828
Asset retirement expenditures (Note 9)	(1,026)	(314)
Change in non cash working capital		
Accounts receivable	(12,446)	(959)
Prepaid expenses and deposits	(6,760)	194
Accounts payable	4,694	(1,682)
	94,247	67,067
INVESTING ACTIVITIES		
Expenditures on petroleum and natural gas properties	(131,078)	(112,647)
Corporate acquisitions (Note 6)	(50,320)	(76,845)
Deposits on property, plant and equipment (Note 17(b))	(25,700)	1,000
Investments in marketable securities	(30,191)	-
Reclamation fund net contributions	(16)	(225)
Proceeds on sale of investments	-	241
Change in non cash working capital		
Accounts receivable	(233)	275
Accounts payable	2,378	42
	(235,160)	(188,159)
FINANCING ACTIVITIES		
Issue of trust units, net of issue costs	93,215	122,037
Increase in bank indebtedness	120,140	51,893
Cash distributions	(74,591)	(53,877)
Change in non cash working capital		
Cash distributions payable	2,422	1,001
	141,186	121,054
Increase (decrease) in cash	273	(38)
Cash at beginning of year	44	82
Cash at end of year	317	44

See accompanying notes to the consolidated financial statements.

Notes to Consolidated Financial Statements

December 31, 2005 and 2004

1. BASIS OF PRESENTATION AND CORPORATE REORGANIZATION

Crescent Point Energy Trust ("the Trust") is an open ended unincorporated investment trust created on September 5, 2003 pursuant to a Declaration of Trust and Plan of Arrangement ("the Arrangement"), operating under the laws of the Province of Alberta. Olympia Trust Company was appointed as trustee under the Trust Indenture and the beneficiaries of the Trust are the unitholders.

The principal undertaking of the Trust's operating companies, Crescent Point Resources Ltd., Crescent Point Energy Partnership and Crescent Point Resources Limited Partnership is to acquire, hold directly or indirectly, interests in oil and gas properties.

The Plan of Arrangement on September 5, 2003 gave effect to the transactions contemplated by the agreement entered into on May 26, 2003 by Crescent Point Energy Ltd. ("old Crescent Point" or the "Corporation") and Tappit Resources Ltd. ("Tappit"). The reorganization resulted in the shareholders of old Crescent Point and Tappit receiving trust units in the Trust, a new oil and natural gas energy trust that owns subsidiaries which own all of old Crescent Point's and Tappit's producing assets. In addition, the shareholders of old Crescent Point and Tappit received shares in a separate, publicly listed, growth and exploration focused producer, StarPoint Energy Ltd. ("StarPoint").

Pursuant to the Arrangement, shareholders of both old Crescent Point and Tappit received shares of StarPoint, and at their election, either units of the Trust, which pay monthly cash distributions, or exchangeable shares which may be exchanged into units of the Trust. The Arrangement also resulted in a share consolidation of the outstanding shares of old Crescent Point.

For each old Crescent Point Class A share owned, shareholders received at their election:

- a) 0.5 units of the Trust and 0.5 shares of StarPoint, or
- b) 0.5 exchangeable shares and 0.5 shares of StarPoint.

For each old Crescent Point Class B share owned, shareholders received at their election:

- a) 0.75 units of the Trust and 0.75 shares of StarPoint, or
- b) 0.75 exchangeable shares and 0.75 shares of StarPoint.

For each Tappit common share owned, shareholders received at their election:

- a) 0.19 units of the Trust, \$0.36 cash and 0.1 shares of StarPoint, or
- b) 0.19 exchangeable shares, \$0.36 cash and 0.1 shares of StarPoint.

Upon completion of the Arrangement, 16,433,734 trust units and 2,000,000 exchangeable shares were outstanding. In addition, the Trust received approval to issue up to 935,000 restricted units under the Restricted Unit Bonus Plan (see note 12).

The Arrangement involving conversion to the Trust has been accounted for as a continuity of interests. Accordingly, these consolidated financial statements reflect the financial position, results of operations and cash flows as if the Trust had always carried on the businesses formerly carried on by old Crescent Point. All assets and liabilities are recorded at historical cost.

The term “units” has been used in these financial statements to identify both the trust units and exchangeable shares of the Trust issued on or after September 5, 2003.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Principles of Consolidation

The consolidated financial statements include the accounts of the Trust and its subsidiaries. Any reference to “the Trust” throughout these consolidated financial statements refers to the Trust and its subsidiaries. All transactions between the Trust and its subsidiaries have been eliminated.

b) Joint Ventures

Certain of the Trust’s development and production activities are conducted jointly with others through unincorporated joint ventures. The accounts of the Trust reflect its proportionate interest in such activities.

c) Property, Plant and Equipment

The Trust follows the full cost method of accounting for petroleum and natural gas properties and equipment, whereby all costs of acquiring petroleum and natural gas properties and related development costs are capitalized and accumulated in one cost centre. Such costs include lease acquisition costs, geological and geophysical expenditures, costs of drilling both productive and non productive wells, related plant and production equipment costs and related overhead charges. Maintenance and repairs are charged against income, and renewals and enhancements which extend the economic life of the properties and equipment are capitalized.

Gains and losses are not recognized upon disposition of petroleum and natural gas properties unless such a disposition would alter the rate of depletion by 20 percent or more.

Depletion, Depreciation and Amortization

Depletion of petroleum and natural gas properties is calculated using the unit of production method based on the estimated proved reserves before royalties, as determined by independent engineers. Natural gas reserves and production are converted to equivalent barrels of oil based upon the relevant energy content (6:1). The depletion base includes capitalized costs, plus future costs to be incurred in developing proven reserves and excludes the unimpaired cost of undeveloped land. Costs associated with unproved properties are not subject to depletion and are assessed periodically to ascertain whether impairment has occurred. When proved reserves are assigned or the value of the unproved property is considered to be impaired, the cost of the unproved property or the amount of impairment is added to costs subject to depletion.

Tangible production equipment is depreciated on a straight line basis over its estimated useful life of 15 years. Office furniture, equipment and motor vehicles are depreciated on a declining balance basis at rates ranging from 10 percent to 30 percent.

Ceiling Test

A limit is placed on the aggregate carrying value of property, plant and equipment, which may be amortized against revenues of future periods (the "ceiling test"). The ceiling test is an impairment test whereby the carrying amount of property, plant and equipment is compared to the undiscounted cash flows from proved reserves using management's best estimate of future prices. If the carrying value exceeds the undiscounted cash flows, an impairment loss would be recorded against income. The impairment is measured as the amount by which the carrying amount of property, plant and equipment exceeds the discounted cash flows from proved and probable reserves.

d) Reclamation Fund

The Trust established a reclamation fund effective July 1, 2004 to fund future asset retirement obligation costs. The Board of Directors has approved contributions of \$0.20 per barrel of production beginning April 1, 2005. Prior to April 1, 2005 contributions of \$0.15 per barrel of production were made. Additional contributions are made at the discretion of management. Contributions to the reclamation fund and interest earned on the reclamation fund balance have been deducted from the cash distributions to the unitholders and cash withheld to fund current year capital expenditures.

e) Asset Retirement Obligation

The Trust recognizes the fair value of an asset retirement obligation in the year in which it is incurred. The obligation is recorded as a liability on a discounted basis when incurred, with a corresponding increase to the carrying amount of the related asset. Over time the liabilities are accreted for the change in their present value and the capitalized costs are depleted on a unit of production basis over the life of the reserves. Revisions to the estimated timing of cash flows or the original estimated undiscounted cost would also result in an increase or decrease to the obligation and related asset.

f) Goodwill

The Trust must record goodwill relating to a corporate acquisition when the total purchase price exceeds the fair value for accounting purposes of the net identifiable assets and liabilities of the acquired company. The goodwill balance is assessed for impairment annually at year end or as events occur that could result in an impairment. Impairment is recognized based on the fair value of the reporting entity ("consolidated Trust") compared to the book value of the reporting entity. If the fair value of the consolidated Trust is less than the book value, impairment is measured by allocating the fair value of the consolidated Trust to the identifiable assets and liabilities as if the Trust has been acquired in a business combination for a purchase price equal to its fair value. The excess of the fair value

of the consolidated Trust over the amounts assigned to the identifiable assets and liabilities is the implied value of the goodwill. Any excess of the book value of goodwill over the implied value of goodwill is the impairment amount. Impairment is charged to earnings and is not tax affected, in the year in which it occurs. Goodwill is stated at cost less impairment and is not amortized.

g) Unit Based Compensation

The Trust established a Restricted Unit Bonus Plan on September 5, 2003. The fair value based method of accounting is used to account for the restricted units granted under the Restricted Unit Bonus Plan. Compensation expense is determined based on the estimated fair value of trust units on the date of grant. The compensation expense is recognized over the vesting period, with a corresponding increase to contributed surplus. At the time the restricted units vest, the issuance of units is recorded with a corresponding decrease to contributed surplus and increase to unitholders' capital.

h) Income Taxes

The Trust follows the liability method of accounting for income taxes. Under this method, income tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the amounts reported in the financial statements of the Trust's corporate subsidiaries and their respective tax base, using substantively enacted future income tax rates. The effect of a change in income tax rates on future tax liabilities and assets is recognized in income in the year in which the change occurs. Temporary differences arising on acquisitions result in future income tax assets and liabilities. The Trust is a taxable entity under the Income Tax Act (Canada) and is taxable only on income that is not distributed or distributable to the unitholders.

i) Financial Instruments

The Trust uses financial instruments and physical delivery commodity contracts from time to time to reduce its exposure to fluctuations in commodity prices, foreign exchange rates and interest rates. Financial instruments that are not designated as hedges under CICA accounting guideline 13 "Hedging Relationships" are recorded on the balance sheet as either an asset or a liability with the change in fair value from the prior year recognized in net earnings. The Trust has not designated any of its risk management activities as accounting hedges under AcG-13, and accordingly has marked to market its financial instruments.

j) Non Controlling Interest

The Trust has recorded a non controlling interest in respect of the issued and outstanding exchangeable shares of Crescent Point Resources Ltd. ("CPRL"), a corporate subsidiary of the Trust, in accordance with EIC-151. The intent is that exchangeable shares of a subsidiary which are transferable to third parties, outside of the consolidated entity, represent a non controlling interest in the subsidiary.

The exchangeable shares issued pursuant to the conversion to a trust were initially recorded at their pro rata percentage of carrying value of CPRL equity, while the exchangeable shares issued pursuant to the acquisition of Tappit Resources Ltd. were recorded at their fair value. When the exchangeable shares recorded at carrying value are converted into trust units, the conversion is recorded as an acquisition of the non controlling interest at fair value and is accounted for as a step acquisition. Upon conversion of the exchangeable shares, the fair value of the trust units issued is recorded in the unitholders' capital, and the difference between the carrying value of the non controlling interest and the fair value of the trust units is recorded as property, plant and equipment.

The non controlling interest on the consolidated balance sheet represents the book value of exchangeable shares plus accumulated earnings attributable to the outstanding shares. The non controlling interest on the income statement represents the net earnings attributable to the exchangeable shareholders for the year based on the trust units issuable for exchangeable shares in proportion to the total trust units issued and issuable at each year end.

k) Revenue Recognition

Revenues associated with sales of crude oil, natural gas and natural gas liquids are recognized when title passes to the purchaser.

l) Cash and Cash Equivalents

Cash and cash equivalents include short term investments with a maturity of three months or less when purchased.

m) Investments in Marketable Securities

Investments are recorded at the lower of cost or net realizable value. Any impairment that is other than temporary in nature is written down to the fair value.

n) Measurement Uncertainty

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Trust's best information and judgement. Such amounts are not expected to change materially in the near term. They include the amounts recorded for depletion, depreciation, amortization and asset retirement costs which depend on estimates of oil and gas reserves or the economic lives and future cash flows from related assets.

3. CHANGES IN ACCOUNTING POLICIES

a) Exchangeable Shares – Non Controlling Interest

On January 19, 2005, the CICA issued revised draft EIC-151 “Exchangeable Securities Issued by Subsidiaries of Income Trusts” that states that exchangeable securities issued by a subsidiary of an income trust should be reflected as either non controlling interest or debt on the consolidated balance sheet unless they meet certain criteria. The exchangeable shares issued by Crescent Point Resources Ltd. (“CPRL”), a corporate subsidiary of the Trust, are transferable to third parties. EIC-151 states that if the exchangeable shares are transferable to a third party, they should be reflected as non controlling interest. Previously, the exchangeable shares were reflected as a component of unitholders’ equity.

This accounting policy was adopted retroactively and prior year comparative balances have been restated. Adoption of the policy had the following effects on the Trust’s consolidated balance sheets:

(\$000)	2005	2004
Increase in property, plant and equipment	16,940	10,212
Increase in future income tax liability	5,979	3,610
Increase in non controlling interest	7,565	7,266
Decrease in exchangeable shares	(5,598)	(7,406)
Increase in unitholders’ capital	12,843	7,247
Decrease in accumulated earnings, end of year	(3,849)	(505)

Adoption of the policy had the following effects on Crescent Point’s consolidated statements of operations and accumulated earnings:

(\$000, except per unit amounts)	2005	2004
Increase in depletion expense	2,177	1,143
Increase in future income tax recovery	(766)	(403)
Increase in non controlling interest	1,933	177
Decrease in net income	(3,344)	(917)
Increase (decrease) in accumulated earnings, beginning of year	(505)	412
Increase (decrease) in net income per unit	(0.10)	0.04
Decrease in net income per unit-diluted	(0.04)	(0.02)

b) Asset Retirement Obligation

Effective January 1, 2004, the Trust retroactively adopted the new accounting standard CICA Handbook section 3110 "Asset Retirement Obligations." Upon adoption, all prior years have been restated for the change in the accounting policy. At January 1, 2004, this resulted in an increase to the asset retirement obligation of \$5.2 million, an increase to property, plant and equipment of \$3.4 million, an increase in accumulated earnings of \$139,000, a decrease in the site restoration liability of \$2.0 million and an increase to the future tax liability of \$81,000.

There is no impact on the Trust's cash flow or liquidity as a result of adopting this new accounting standard. See Note 9 for additional information regarding the asset retirement obligation.

4. INVESTMENTS IN MARKETABLE SECURITIES

The investments in marketable securities are comprised of shares of public oil and gas corporations. The investments are recorded at carrying value, which is more than the fair value of \$28.7 million at December 31, 2005. The Trust believes this decline is temporary in nature and has not recorded a reduction to the carrying value.

5. RECONCILIATION OF CASH FLOW AND DISTRIBUTIONS

Cash distributions are calculated in accordance with the Trust's indenture. To arrive at cash distributions, cash flow from operations, before changes in non cash working capital and asset retirement obligation ("ARO") expenditures, is reduced by reclamation fund contributions interest earned on the fund and a portion of capital expenditures. The portion of cash flow withheld to fund capital expenditures is at the discretion of the Board of Directors.

(\$000, except per unit amounts)	2005	2004
Cash flow from operations before changes in non cash working capital and ARO expenditures	109,785	69,828
Add (deduct)		
Cash withheld to fund current year capital expenditures and repay debt	(34,152)	(15,412)
Reclamation fund contributions and interest earned on fund ⁽¹⁾	(1,042)	(539)
Cash distributions declared to unitholders	74,591	53,877
Accumulated cash distributions – beginning of year	65,574	11,697
Accumulated cash distributions – end of year	140,165	65,574
Cash distributions per unit ⁽²⁾	2.14	2.04
Accumulated cash distributions per unit – beginning of year	2.72	0.68
Accumulated cash distributions per unit – end of year	4.86	2.72

⁽¹⁾ The Trust implemented a reclamation fund effective July 1, 2004.

⁽²⁾ Cash distributions per trust unit reflect the sum of the per unit amounts declared monthly to unitholders.

6. CORPORATE ACQUISITIONS

a) Acquisition of a Private Consortium (Glen Ewen Property)

On July 26, 2005, the Trust purchased all of the issued and outstanding shares of a group of private companies with common properties located in the Glen Ewen area of southeast Saskatchewan. The purchase was paid for with a combination of cash and trust units and was accounted for using the purchase method of accounting. The net assets acquired and consideration is allocated as follows:

	(\$000)
Net assets acquired	
Cash	2,000
Working capital	300
Property, plant and equipment	56,318
Asset retirement obligation	(1,716)
Future income taxes	(9,086)
Total net assets acquired	47,816
Consideration	
Cash	11,443
Trust units issued (2,000,000 trust units)	36,300
Acquisition costs	73
Total purchase price	47,816

b) Acquisition of a Private Company (Tatagwa Property)

On September 13, 2005, the Trust purchased all the issued and outstanding shares of a private company with properties in the Tatagwa area of southeast Saskatchewan. The purchase was paid for with a combination of cash and trust units and was accounted for using the purchase method of accounting. The net assets acquired and consideration is allocated as follows:

	(\$000)
Net assets acquired	
Cash	570
Working capital	77
Property, plant and equipment	4,665
Asset retirement obligation	[80]
Total net assets acquired	5,232
Consideration	
Cash	647
Trust units issued (235,000 trust units)	4,559
Acquisition costs	26
Total purchase price	5,232

c) Acquisition of a Partnership (Tatagwa Property)

On October 28, 2005, the Trust purchased all the outstanding partnership units of a partnership with properties in the Tatagwa area of southeast Saskatchewan. The purchase was paid for with cash and was accounted for as an asset acquisition pursuant to EIC-124. The net assets acquired and consideration is allocated as follows:

	(\$000)
Net assets acquired	
Property, plant and equipment	39,399
Asset retirement obligation	[1,622]
Total net assets acquired	37,777
Consideration	
Cash	37,423
Acquisition costs	354
Total purchase price	37,777

d) Acquisition of Bulldog Energy Inc.

On November 29, 2005, the Trust purchased all of the issued and outstanding shares of Bulldog Energy Inc., a public oil and gas company. The purchase was paid for with a combination of cash and trust units and was accounted for using the purchase method of accounting. The net assets and consideration is allocated as follows:

	(\$000)
Net assets acquired	
Property, plant and equipment	128,855
Goodwill	10,203
Working capital deficiency	(7,072)
Bank debt	(12,850)
Asset retirement obligation	(2,373)
Future income taxes	(16,276)
Total net assets acquired	100,487
Consideration	
Cash	1,629
Trust units (4,490,564 trust units)	97,564
Acquisition costs	1,294
Total purchase price	100,487

e) Acquisition of Capio Petroleum Corporation

On January 6, 2004, the Trust purchased all of the issued and outstanding shares of Capio Petroleum Corporation, a private oil and gas company. The purchase was paid for with cash and accounted for using the purchase method of accounting. The net assets acquired and consideration is allocated as follows:

	(\$000)
Net assets acquired	
Cash	56
Property, plant and equipment	61,688
Goodwill	36,976
Working capital deficiency	(5,862)
Asset retirement obligation	(575)
Future income taxes	(15,382)
Total net assets acquired	76,901
Consideration	
Cash	76,488
Acquisition costs (net of option proceeds of \$2.6 million)	413
Total purchase price	76,901

7. PROPERTY, PLANT AND EQUIPMENT

(\$000) 2005	Cost	Accumulated depletion, depreciation and amortization	Net
Petroleum and natural gas properties	617,838	117,923	499,915
Production equipment	147,925	13,954	133,971
Office furniture and equipment	3,332	1,551	1,781
	769,095	133,428	635,667

(\$000) 2004	Cost	Accumulated depletion, depreciation and amortization	Net
Petroleum and natural gas properties	317,354	58,356	258,998
Production equipment	74,752	7,216	67,536
Office furniture and equipment	2,662	1,066	1,596
	394,768	66,638	328,130

At December 31, 2005, unproved land costs of \$23.8 million (2004 – \$8.4 million) have been excluded from costs subject to depletion.

General and administrative expenses capitalized by the Trust during the year were \$1.7 million (2004 – \$1.0 million). The capitalized administration costs do not include any related unit based compensation costs.

The ceiling test calculation at December 31, 2005 indicated that the net recoverable amount from proved reserves exceeded the net carrying value of the petroleum and natural gas properties and equipment. The following are the prices that were used in the December 31, 2005 ceiling test:

	Average Price Forecast ⁽¹⁾										
	2006	2007	2008	2009	2010	2011-2012	2013	2014	2015	2016	2017+ ⁽²⁾
WTI (\$US/bbl)	57.00	55.00	51.00	48.00	46.50	45.00	46.00	46.75	47.75	48.75	2.0%
Exchange rate	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
WTI (\$Cdn/bbl)	67.06	64.71	60.00	56.47	54.71	52.94	54.12	55.00	56.18	57.35	2.0%
AECO (\$Cdn/mcf)	10.60	9.25	8.00	7.50	7.20	6.90	7.05	7.20	7.40	7.55	2.0%

⁽¹⁾ The benchmark prices listed above are adjusted for quality differentials, heat content, distance to market and other factors in performing our ceiling test.

⁽²⁾ Percentage change represents the change in each year after 2016 to the end of the reserve life.

8. BANK INDEBTEDNESS

The Trust has a syndicated credit facility with four Canadian chartered banks and an operating credit facility with one Canadian chartered bank. The amount available under the combined credit facilities was increased from \$165 million to \$200 million on November 2, 2005. A further increase to \$245 million was obtained on November 25, 2005. The Trust has letters of credit in the amount of \$40,000 outstanding at December 31, 2005.

The credit facilities bear interest at the prime rate plus a margin based on a sliding scale ratio of the Trust's debt to cash flows. The effective interest rate for 2005 is 4.66 percent (2004 – 4.71 percent). Interest paid in the year amounted to \$5.2 million (2004 – \$3.4 million).

The credit facility is secured by the oil and gas assets owned by the Trust's wholly owned subsidiaries.

9. ASSET RETIREMENT OBLIGATION

The total future asset retirement obligation was estimated by management based on the Trust's net ownership in all wells and facilities. This includes all estimated costs to reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. The Trust has estimated the net present value of its total asset retirement obligation to be \$33.3 million at December 31, 2005 (December 31, 2004 – \$21.4 million) based on total estimated undiscounted cash flows to settle the obligation of \$67.4 million (December 31, 2004 – \$47.4 million). The expected period until settlement ranges from a minimum of 2 years to a maximum of 41 years, with the costs expected to be paid over an average of 20 years. The estimated cash flows have been discounted using a credit adjusted risk free rate of eight percent and an inflation rate of two percent.

The following table reconciles the asset retirement obligation:

[\$000]	2005	2004
Asset retirement obligation, beginning of year	21,403	5,195
Liabilities incurred	5,107	8,907
Liabilities acquired through corporate acquisitions	5,791	575
Liabilities settled	(1,026)	(314)
Changes in prior year estimates	–	6,242
Accretion expense	2,000	798
Asset retirement obligation, end of year	33,275	21,403

10. UNITHOLDERS' CAPITAL

a) Authorized

An unlimited number of voting trust units have been authorized.

b) Issued and outstanding

The Trust has initiated a distribution reinvestment plan (the "Regular DRIP") and a premium distribution reinvestment plan (the "Premium DRIP"). The Regular DRIP permits eligible unitholders to direct their distributions to the purchase of additional units at 95 percent of the average market price, as defined in the plan. The Premium DRIP permits eligible unitholders to elect to receive 102 percent of the cash the unitholder would otherwise have received on the distribution date. The additional cash distributed to the Premium DRIP unitholders is funded through the issuance of additional trust units in the open market. Participation in the Regular and Premium DRIP is subject to proration by the Trust. Unitholders who participate in either the Regular DRIP or the Premium DRIP are also eligible to participate in the Optional Unit Purchase Plan as defined in the plan.

	2005		2004	
	Number of trust units	Amount (\$000)	Number of trust units	Amount (\$000)
Trust units, beginning of year ⁽¹⁾	29,347,408	257,468	19,282,049	118,695
Issued for cash	3,930,000	75,063	8,150,000	110,663
Issued on corporate acquisitions	6,725,564	138,423	—	—
Issued on conversion of exchangeable shares ⁽¹⁾	393,007	7,405	661,727	9,966
Issued on vesting of restricted units ⁽²⁾	90,803	1,035	45,630	487
Issued pursuant to the distribution reinvestment plans	1,128,564	20,930	1,109,335	16,031
To be issued pursuant to the distribution reinvestment plans	130,438	2,555	98,667	1,626
Trust units, end of year	41,745,784	502,879	29,347,408	257,468
Cumulative unit issue costs	—	[14,819]	—	(10,215)
Total unitholders' capital, end of year	41,745,784	488,060	29,347,408	247,253

⁽¹⁾ Unitholders' capital at January 1, 2005, for the first quarter of 2005 and for the year ended December 31, 2004 have been restated for the retroactive change in accounting policy for non controlling interest.

⁽²⁾ The amount of trust units issued on vesting of restricted units is net of employee withholding taxes.

11. EXCHANGEABLE SHARES

The exchangeable shares can be converted at the option of the holder into trust units at any time before September 5, 2013. Any exchangeable shares which have not been converted into trust units by September 5, 2013 will automatically be converted into trust units at that time. Since the number of exchangeable shares outstanding has reached one million, the Trust can elect to redeem the exchangeable shares for trust units. The number of trust units issued upon conversion is based on the exchange ratio in effect on the date of conversion. The exchange ratio is calculated monthly based on the distributions declared and the ten day weighted average trust unit trading price preceding the monthly effective date. The exchangeable shares are not eligible for distributions, and are not publicly traded.

The Trust retroactively applied EIC-151 "Exchangeable Shares Issued by Subsidiaries of Income Trusts" in the second quarter of 2005. EIC-151 requires exchangeable shares issued by a subsidiary which are transferable to third parties be reflected as non controlling interest on the consolidated balance sheet and net earnings must be reduced by the amount of net earnings attributable to the non controlling interest.

Exchangeable Shares	2005	2004
Balance, beginning of year	1,307,140	1,902,901
Exchanged for trust units	(319,067)	(595,761)
Balance, end of year	988,073	1,307,140
Exchange ratio, end of year	1.333	1.19258
Trust units issuable upon conversion, end of year	1,317,101	1,558,869

The following is a summary of the non controlling interest:

Non controlling Interest (\$000)	2005	2004
Non controlling interest, beginning of year	7,266	10,348
Reduction of book value for conversion to trust units	(1,634)	(3,258)
Current year net earnings attributable to non controlling interest	1,933	176
Non controlling interest, end of year	7,565	7,266

12. RESTRICTED UNIT BONUS PLAN

The Trust has a Restricted Unit Bonus Plan. Under the terms of the Restricted Unit Bonus Plan, the Trust may grant restricted units to directors, officers, employees and consultants. Restricted units vest at 33 1/3 percent on each of the first, second and third anniversaries of the grant date. Restricted unitholders are eligible for monthly distributions on their first third of restricted units, immediately upon grant. On the date the other two thirds of the restricted units vest, the restricted unitholders are entitled to the accrued distributions from the date of grant.

The unitholders have approved a maximum number of trust units issuable under the Restricted Unit Bonus Plan of 935,000 units. A summary of the changes in the restricted units outstanding under the plan is as follows:

	2005	2004
Restricted units, beginning of year	400,559	180,200
Granted	406,026	318,083
Vested	(126,852)	(60,447)
Cancelled	(90,178)	(37,277)
Restricted units, end of year	589,555	400,559

The Trust recorded compensation expense and contributed surplus of \$4.3 million in the year ended December 31, 2005, based on the amortization of the fair value of the units on the date of the grant. Additionally, the Trust recorded \$450,000 of cash distributions on the first third of restricted units granted which is included in unit based compensation for the year. The total cash and non cash unit based compensation recorded in the year was \$4.7 million.

13. INCOME TAXES

In 2003, Royal Assent was received, thereby legislating certain federal reductions in corporate income tax rates. The rate reductions are currently being phased in over five years commencing in 2003. The rate changes incorporate a reduction in the applicable federal tax rate on resource income from 28 percent to 21 percent, provide for the deduction of Crown royalties and eliminate the deduction for resource allowance. As a result of the rate changes, the Trust's future income tax rate decreased to approximately 35 percent in 2005 (35 percent in 2004) compared to the tax rate of 40 percent applicable for the 2005 income tax year (41 percent for 2004).

The tax provision differs from the amount computed by applying the combined Canadian federal and provincial income tax statutory rates to income before taxes as follows:

[\$000]	2005	2004
Income before income taxes	12,642	17,502
Statutory income tax rate	39.70%	40.70%
Expected provision for income taxes	5,019	7,123
Effect of change in corporate tax rates	(1,945)	(465)
Non deductible Crown charges	3,847	2,077
Resource allowance	(9,272)	(5,275)
Net income of the Trust and other	(25,449)	(15,877)
Future income tax recovery	(27,800)	(12,417)

The cash capital taxes paid during the year were \$3.9 million (2004 – \$2.3 million).

The future tax liability of \$37.4 million is comprised primarily of tax on the differences between the accounting basis and tax basis of certain operating companies' property, plant and equipment and on the differences between certain subsidiaries' accounting basis and tax basis for investments in partnerships.

14. PER TRUST UNIT AMOUNTS

The following table summarizes the weighted average trust units used in calculating net income per trust unit:

	2005	2004
Weighted average trust units ⁽¹⁾	34,263,054	26,204,295
Trust units issuable on conversion of exchangeable shares ⁽¹⁾⁽²⁾	1,317,101	1,558,869
Dilutive impact of restricted units	505,347	320,446
Dilutive trust units and exchangeable shares	36,085,502	28,083,610

⁽¹⁾ Weighted average trust units for 2004 and the first quarter of 2005 have been restated to exclude trust units issuable for exchangeable shares in accordance with the retroactive change in accounting policy for exchangeable shares.

⁽²⁾ The trust units issuable on conversion of the exchangeable shares reflects the exchangeable shares outstanding at the end of the year converted at the exchange ratio in effect at the end of the year.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The financial instruments of the Trust that are included on the balance sheet are comprised of cash, accounts receivable, the reclamation fund, risk management liabilities and current liabilities.

a) Fair values

The Trust's financial instruments recognized on the consolidated balance sheet include cash, accounts receivable, the reclamation fund, accounts payable and accrued liabilities. The fair value of these financial instruments approximate their carrying amounts due to their short term nature.

b) Credit risk

A substantial portion of the Trust's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks.

c) Interest rate risk

The Trust is exposed to interest rate risk on debt instruments to the extent of changes in the prime interest rate.

d) Risk management

The Trust has entered into fixed price oil contracts and interest rate swaps to manage its exposure to fluctuations in the price of crude oil and interest rates on debt.

The following is a summary of the financial instrument contracts in place as at December 31, 2005:

Financial WTI Crude Oil Contracts

Term	Contract	Volume (bbls/d)	Average Swap Price (\$Cdn/bbl)	Average Bought Put Price (\$Cdn/bbl)	Average Sold Call Price (\$Cdn/bbl)
2006					
January – March	Swap	250	46.63		
January – June	Swap	1,750	50.18		
January – December	Swap	1,500	60.33		
April – December	Swap	250	51.00		
July – December	Swap	1,750	50.76		
January – December	Collar	1,000		59.37	70.10
January – December	Put	1,250		75.92	
2006 Weighted Average		5,750	54.66	68.56	70.10
2007					
January – March	Swap	1,000	58.72		
January – June	Swap	250	67.00		
January – September	Swap	250	74.52		
January – December	Swap	1,000	72.34		
April – June	Swap	1,000	72.02		
July – September	Swap	1,250	71.11		
October – December	Swap	1,500	73.22		
January – June	Collar	250		64.00	75.32
January – September	Collar	250		68.00	81.28
July – December	Collar	250		65.00	82.03
October – December	Collar	250		65.00	86.00
January – December	Collar	500		65.23	76.33
January – June	Put	500		64.50	
July – December	Put	500		70.06	
2007 Weighted Average		4,000	70.90	66.00	78.46

Financial WTI Crude Oil Contracts (continued)

Term	Contract	Volume (bbls/d)	Average Swap Price (\$Cdn/bbl)	Average Bought Put Price (\$Cdn/bbl)	Average Sold Call Price (\$Cdn/bbl)
2008					
January – June	Swap	1,000	72.73		
January – September	Swap	250	68.10		
January – December	Swap	250	70.00		
January – June	Collar	250		65.00	82.00
2008 Weighted Average		1,060	71.07	65.00	82.00

The Trust has an interest rate swap in the amount of \$50.0 million bearing an interest rate of 3.01 percent, expiring May 25, 2006.

None of the Trust's commodity or interest rate contracts have been designated as accounting hedges. Accordingly, all commodity and interest rate contracts have been recorded on the balance sheet as assets and liabilities based on their fair values. The following table reconciles the movement in the fair value of the Trust's commodity and interest rate contracts:

(\$000)	2005	2004
Risk management liability (net), beginning of year	7,898	3,209
Change in mark to market unrealized loss ⁽¹⁾	24,187	4,689
Risk management liability (net), end of year	32,085	7,898

⁽¹⁾ The realized financial instrument loss on the income statement also reflects the amortization of deferred financial instrument gains and losses.

16. COMMITMENTS

At December 31, 2005, the Trust had contractual obligations and commitments for office space and equipment:

	(\$000)
2006	2,146
2007	1,662
2008	1,123
2009	1,075
2010	1,075

17. SUBSEQUENT EVENTS

Acquisitions

a) Acquisition of a Partnership (Southeast Saskatchewan Property)

On January 3, 2006, the Trust closed the acquisition of all the outstanding partnership units of a partnership with properties in the corridor between Manor and Ingoldsby, Saskatchewan for total consideration of approximately \$27.5 million, before closing adjustments. The purchase was funded through the Trust's bank lines.

b) Acquisition of a Corporation (Cantuar/Battrum Property)

On January 9, 2006, the Trust closed the acquisition of a corporation owning properties in the Cantuar/Battrum area of southwest Saskatchewan for consideration of approximately \$257.0 million, before closing adjustments. The purchase was funded through the Trust's existing bank lines and through an equity financing of \$220.1 million. On December 6, 2005, the Trust made a deposit of \$25.7 million in connection with this acquisition.

c) Acquisition of a Corporation (Peace River Arch Property)

On February 6, 2006, the Trust closed the acquisition of properties in the Peace River Arch area of Alberta for consideration of approximately \$55 million, before closing adjustments. The purchase was funded through the Trust's existing bank lines and issuance of 2,080,379 trust units.

d) Acquisition of Ingoldsby Properties

The Trust closed two acquisitions of properties in the Ingoldsby area of southeast Saskatchewan subsequent to year end. On February 23, 2006, the Trust closed an acquisition for consideration of approximately \$13.4 million, before closing adjustments and on March 1, 2006 the Trust closed an acquisition for consideration of approximately \$2.6 million, before closing adjustments. The acquisitions were funded through the Trust's existing bank lines.

Equity Financings

- e) On December 29, 2005, the Trust and a syndicate of underwriters closed a bought deal equity financing pursuant to which the syndicate sold 10,406,000 subscription receipts of the Trust for gross proceeds of \$220.1 million (\$21.15 per subscription receipt). On January 9, 2006, all conditions of this offering were satisfied and the subscription receipts were converted to trust units and the proceeds were released to the Trust.
- f) On March 2, 2006, the Trust and a syndicate of underwriters announced a bought deal equity financing of 3,440,000 trust units for gross proceeds of \$75.0 million (\$21.80 per trust unit).

Credit Facility

- g) On January 9, 2006, the amount available under the Trust's credit facility was increased from \$245 million to \$320 million.

18. COMPARATIVE INFORMATION

Certain information provided for the previous year has been restated to conform to the current year presentation.

Corporate Information

Directors

Scott Saxberg ⁽⁴⁾

Peter Bannister, Chairman ⁽¹⁾⁽³⁾

Paul Colborne ⁽²⁾⁽⁴⁾

Hugh Gillard ⁽¹⁾⁽²⁾

Ken Cugnet ⁽³⁾⁽⁴⁾

Greg Turnbull ⁽²⁾

Gerald Romanzin ⁽¹⁾⁽³⁾

⁽¹⁾ Member of the Audit Committee of the Board of Directors

⁽²⁾ Member of the Compensation Committee of the Board of Directors

⁽³⁾ Member of the Reserves Committee of the Board of Directors

⁽⁴⁾ Member of the Health, Safety and Environment Committee of the Board of Directors

Officers

Scott Saxberg

President and Chief Executive Officer

C. Neil Smith

Vice President, Engineering and Business Development

Greg Tisdale

Chief Financial Officer

Dave Balutis

Vice President, Geosciences

Tamara MacDonald

Vice President, Land

Ken Lamont

Controller and Treasurer

Head Office

Suite 3500, 150 – 6th Avenue SW

Calgary, Alberta T2P 3Y7

Tel: (403) 693-0020

Fax: (403) 693-0070

Banker

The Bank of Nova Scotia

Calgary, Alberta

Auditor

PricewaterhouseCoopers LLP

Calgary, Alberta

Legal Counsel

McCarthy Tétrault LLP

Calgary, Alberta

Evaluation Engineers

GLJ Petroleum Consultants Ltd.

Calgary, Alberta

Registrar and Transfer Agent

Investors are encouraged to contact Crescent Point's Registrar and Transfer Agent for information regarding their security holdings:

Olympia Trust Company

2300, 125 – 9 Avenue SE

Calgary, Alberta T2G 0P6

Tel: (403) 261-0900

Stock Exchange

Toronto Stock Exchange – TSX

Stock Symbol – CPG.UN

Investor Contacts

Scott Saxberg

President and Chief Executive Officer

(403) 693-0020

Greg Tisdale

Chief Financial Officer

(403) 693-0020

3500, 150 – 6th Avenue SW

Calgary, AB T2P 3Y7

Tel: (403) 693-0020

Fax: (403) 693-0070

www.crescentpointenergy.com



Crescent Point Energy Trust
3500, 150 - 6th Avenue SW
Calgary, AB T2P 3Y7
Phone: (403) 693-0020
Fax: (403) 693-0070

www.crescentpointenergy.com